

NEWS SUMMARY

GENERAL

Talks on Uganda security problem

A Tanzanian military delegation arrived in Uganda for talks with army and police chiefs and Government Ministers on the worsening security situation in the country.

The delegation will discuss with the Ugandans mounting accusations that Tanzanian soldiers were involved in the spate of violent robberies and murders in Kampala in the last few weeks.

Bandits wearing army uniforms shot and killed seven Kampalans in three attacks on homes last weekend. They included a London chemistry professor. Survivors and witnesses said they were not sure whether the murderers were Ugandan or Tanzanian soldiers, or civilian criminals who had acquired army uniforms and weapons.

Vlasova's return

As ballerina Lyudmila Vlasova returned to a heroine's welcome in the Soviet Union, the news agency, Tass, broke its five-day silence on her dancer husband Alexander Godunov, saying he had disappeared in the U.S. in circumstances still unclear.

Kidnap total up

An Italian pop singer and his girlfriend became victims, bringing to 10 the wealthy captives in the hands of the island's kidnap gangs. Police searching for missing members of the London Schild family discounted a claim that the "Red Guerrillas" group kidnapped them.

Hua to visit U.S.

Chairman Hua Guo-feng accepted "with delight" an invitation to visit the U.S. next year, U.S. Vice-President Mondale announced on his visit to China. President Carter hopes to visit China next year. Page 4

W. Sahara poll

The Moroccan Parliament will meet in special session today to arrange quick elections in the country's newly taken part of the Western Sahara against a background of major Polisario guerrilla strikes against the Moroccans.

Uranium claims

The Defence Ministry is considering claims by the families of two men who died after years of work in the Aldermaston nuclear weapons research plant where uranium and plutonium are handled to maintain the UK's nuclear deterrent. Page 6

Nigeria 'swindled'

Scotland Yard is investigating a suspected fraud in which the Nigerian Government was swindled out of at least £15m by a trio of men who later issued bogus instructions in Lagos on telex orders for funds. Page 8

Lucky escape

Passengers on a packed high-speed train had a lucky escape when it was derailed near Northallerton, Yorks. The train was carrying 500 passengers from King's Cross to Edinburgh when eight coaches left the rails but stayed upright.

Briefly...

Schoolboy shot himself on the village green at Thornton-le-Dale, Yorks, after falling his A-levels.

U.S. swimmer John Kinsella won the 21-mile international cross-Channel swimming race from England to France.

Welshman Gerry Preen reached Saint-Cyr-L'ecole airport, completing the first London-Paris flight by motorised hang-glider. Male chauvinism is alive and well in Japan, where No. 1 in the pop charts is a dirty in praise of wifely obedience—'Your Husband and Master proclaims'...

BUSINESS

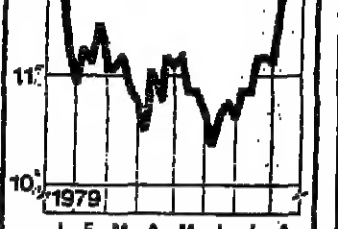
Gold shares rise; Gilts dull

● EQUITIES remained quiet, although the rise in bullion brought another upsurge in Golds. The FT ordinary index closed 0.2 to 364.8, while the Gold Mines index rose 8.6 to 192.3.

● GILTS were dull and the Government Securities index eased 0.02 to 73.42.

● STERLING rose 1.60 cents to \$2.2495 and its trade-weighted index rose to 71.9 (71.2). The dollar's index rose to 84.9 from 84.7.

● LONDON interbank offered rates (Libor) moved up sharply yesterday, the six month Libor



rate registering the largest jump of all, 1/2 of a point, raising it to 12 1/2 per cent.

● GOLD rose \$1 1/2 to a record close of \$314 1/2 in London.

● WALL STREET was a bit up at 85.67 just before the close.

● TREASURY itself is the subject of a cost-cutting review to see if savings in staff can be made, particularly in the economic forecasting and exchange control divisions. Back Page; News Analysis, Page 7

● FOREIGN investment in the U.S. climbed by a record \$6.2bn last year to a total of \$40.83bn according to official statistics. Page 4

● NIGERIA's oil revenues this year could be 50 per cent higher than last year, according to the Federal Commissioner of Finance. Back Page

● FRENCH Government will announce today measures to give a modest stimulus to the flagging French economy and compensate low-income families for rapidly rising living costs. Page 2

● LAUNCH of a Polish bulk carrier from the lower Clyde yard of Scott Lithgow has been cancelled. The 8,000 workforce has decided to hold the ship as part of industrial action by shipyard workers against British shipbuilders' planned redundancies and yard closures. Page 5

● VAUXHALL Motors, the first motor company to settle in the wage row, has offered its 26,000 manual workers increases worth about 17 per cent, in return for agreements on performance and work practices. Back Page

● THE TIMES and Sunday Times closure cost the International Thomson Organisation £17.3m in the first half of this year. Thomson pre-tax profits rose by £2.5m to £63.2m on sales of £297m in spite of the loss by Times Newspapers. Back and Page 26

COMPANIES

● ICI pre-tax profits for the first half of 1979 fell from £15.7m to £13.6m on sales up from £290.4m to £303.9m. Page 22 and Lex

● FAIRCLOUGH CONSTRUCTION, the civil engineering and building concern, reports pre-tax profits up from £3.8m to £4.07m for the first half of 1979 on increased turnover of £107.79m against £89.84m. Page 22

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

| RISES | FALLS |
|-------------------------------|-------------------------------|
| Burnett Hallams | Tomatin Distillers... 183 + 6 |
| A... 485 + 25 | Unifitch... 198x + 71 |
| Diploma Invs... 348 + 8 | Arco Energy... 158 + 13 |
| Fogarty (S)... 355 + 18 | Bertam Cons... 177 + 9 |
| Johnson (M)... 45 + 5 | Doraskande... 145 + 17 |
| Joseph Cooper... 92 + 4 | Cons. Gold Fields... 232 + 6 |
| Green's Economics... 124 + 6 | Deelkraal... 153 + 14 |
| Greycoat Ests... 105 + 5 | Haoma Gold... 34 + 4 |
| Guinness Peat... 86 + 4 | Hartebeest... 116 + 5 |
| Johnson (S)... 94 + 5 | Impala Plat... 175 + 9 |
| Long Robinson... 94 + 4 | Libanor... 165 + 49 |
| JFI Furniture... 183 + 6 | Mariolela... 108 + 18 |
| Myson... 89 + 5 | Monarch Petroleum... 13 + 31 |
| Newarhill... 198 + 8 | North West Mining... 33 + 5 |
| Parker Timber... 196 + 6 | |
| Pearl Assurance... 246 + 4 | |
| and O. D. Ltd... 1051 + 3 | |
| Quick (H. and J.)... 451 + 43 | |
| Shaw Carpets... 32x + 3 | |
| Sirdar... 115 + 8 | |
| Stilo Shoes... 241 + 13 | |

AFTER THE MOUNTBATTEN MURDER...

● THE IRA Bank Holiday attacks which killed Earl Mountbatten, two members of his family and a friend and 18 British soldiers make an early political initiative in Ulster less likely than ever, senior Ministers in Westminster believe.

● FEARS that the IRA is extending its attacks to continental Europe were rife in Brussels last night after a bomb injured four British Army bandmen and 15 other people. It exploded beneath a handstand in the city centre shortly before a concert.

● MR. JACK LYNCH, Ireland's Prime Minister has cut short his holiday in Portugal and will be back in the Republic within a day or two. Mr. George Colley, Deputy Prime Minister, will preside at a special Cabinet meeting today.

IRA bomb blast in Brussels

By Giles Merritt in Brussels

FEARS that the Provisional IRA had launched a bombing campaign on the Continent rose yesterday after four British military bandmen were injured in an explosion in Brussels.

Immediately afterwards, a telephone caller to Brussels City Hall claimed responsibility on behalf of the IRA.

The bomb exploded beneath a handstand in the medieval Grand Place shortly before the Band of the Duke of Edinburgh's Royal Regiment was to play. The blast slightly injured 15 people, including the bandmen.

No warning was given of the attack.

IRA activity in Europe included the assassination last March of Sir Richard Sykes, British Ambassador to Holland, at The Hague.

The band was due to begin playing at 3 pm as part of ceremonies and events organised this year to mark the founding of Brussels 1,000 years ago.

The device was believed to be a comparatively small charge.

Though an investigation into security precautions for the bandmen has been opened by the Belgian gendarmerie, British diplomats in Brussels have stressed that security for potential targets was already at a high level.

The Belgian capital was identified as a possible stronghold for Provisional IRA terrorists after Sir Richard Sykes' murder.

Only hours after Sir Richard's car was ambushed in The Hague by gunmen, a Belgian Central Bank employee was killed in a similar shooting in Brussels.

Belgian police believe that that murder was a result of mistaken identity, and that the terrorists had intended to kill a senior British diplomat accredited to NATO.

Two months ago the Provisionals again came under suspicion in Belgium when the offices of Britain's honorary consul-general in Antwerp were almost totally destroyed.

Across the border the hard line that emerged from Iran's rulers in Qom was backed up by a further 19 executions of rebel Kurds and regular Army soldiers accused of abandoning their positions in last week's hard-fought battle for the town of Saqqez.

The executions were ordered by Sheikh Sadeq Khalkhali, the religious judge sent to Kurdistan (Continued on Back Page)

Chance of Ulster initiative reduced

BY RICHARD EVANS, LOBBY STAFF

SENIOR Ministers believe that the latest outrages in Ireland—the assassination of Earl Mountbatten and the death of 18 British soldiers—make an early political initiative in Ulster less likely than ever.

It is feared that the incidents will prevent any political progress for some time by hardening moderate Protestant opinion in Northern Ireland and provoking militants to retaliate.

The alternative to a political initiative is seen as a further tightening of security provisions. Senior Ministers yesterday assessed the repercussions of the killings.

Mrs. Thatcher called in Mr. William Whitelaw, Home Secretary, Mr. Francis Pym, Defence Secretary, and Sir Ian Gilmour, a Foreign Office Minister.

Later, the Prime Minister, Mr. Whitelaw and Sir Ian received a report on security in Ulster from Mr. Humphrey Alkins, Northern Ireland Secretary, who had earlier visited Belfast and talked to police and service chiefs.

Security will probably be tightened in the province—although no more troops are to be sent—and attempts will be made to improve liaison with the South.

Further pressure will also be exerted on Mr. Jack Lynch, the Premier, to tighten border security and to allow suspected terrorists to be extradited to the North or to be interrogated by RUC detectives.

The delicate relations between London and Dublin will, inevitably, be more tense.

Aftermath of the killings. Page 6

IRA steps up pressure. Page 20

Irish Cabinet meets. Back Page

following the assassination of Lord Mountbatten, but Ministers were anxious yesterday not to be provocative in any way.

An early meeting between Mrs. Thatcher and Mr. Lynch is probable. There could be brief talks if he attends Lord Mountbatten's funeral, but it is stressed that the agenda would be confined to security matters and improving liaison, and would not involve the political future of the province.

There were also discussions yesterday in Whitehall and among police chiefs about the protection of individuals, following the IRA's switch from indiscriminate bombing to carefully selected targets.

Ayatollah goes back on ceasefire with Kurds

BY ANDREW WHITLEY IN TEHRAN

HOPE of averting a bloody battle for control of the Kurdish rebel capital Mahabad dimmed yesterday when Ayatollah Khomeini, Iran's unofficial Head of State, turned down ceasefire proposals already agreed by Tehran clergy and members of the Cabinet.

An unofficial ceasefire is reported to have been in force throughout the western province of Kurdistan, pending the expected announcement of the formal start of peace negotiations.

In a tough statement said to reflect Ayatollah Khomeini's views, Mr. Abol Hasan Bani-Sadr, a member of the ruling Revolutionary Council, said there was no justification "for the systematic subversion of minorities who want to impose violence on our people," and that "it is not up to us to declare a ceasefire."

The rejection by hardliners in Qom of the tentative agreement thrashed out in Tehran on Monday with a five-man delegation from Mahabad shows a clear split in the authorities' ranks between those who think the rebels can be crushed by military force and those who support a pragmatic climb-down.

The scale of the task facing Government troops became even clearer yesterday after Turkish Press reports of thousands of Kurdish fighters crossing the ill-guarded mountain frontier into Iran to join the rebels in the battle zone.

The mass circulation daily Hurriyet said that an underground organisation known as KAWA was recruiting unemployed youths and paying them \$1,200 a month to fight in Iran.

Turkey is known to be

extremely concerned about the situation in Iranian Kurdistan and the consequences for her own large Kurdish minority.

Mr. Hasan Fehmi Gunes, the Minister of the Interior, who is in the adjoining Turkish region, was reported yesterday as saying that the present inadequate security measures would be stepped up to prevent "infiltration by separatist forces from Iraq and Iran."

Across the border the hard line that emerged from Iran's rulers in Qom was backed up by a further 19 executions of rebel Kurds and regular Army soldiers accused of abandoning their positions in last week's hard-fought battle for the town of Saqqez.

The executions were ordered by Sheikh Sadeq Khalkhali, the religious judge sent to Kurdistan (Continued on Back Page)

Beecham buys Jovan for \$85m

BY SUE CAMERON, CHEMICALS CORRESPONDENT

BEECHAM, the UK-based pharmaceuticals and household products group, is to buy Jovan, a U.S. fragrances and perfumes producer, for \$85m (£37.7m).

The deal, which is subject to U.S. and UK Government approvals, is expected to go through by the end of October. It will mark Beecham's first venture into the fragrances and perfumes business.

Jovan, whose controlling shareholders have accepted the Beecham offer, had pre-tax profits of \$12.1m last year. The company, which was set up in 1968, has net assets worth \$30m. Between 1973 and 1978 its annual sales rose from \$10.5m to \$78m, and it now has about 8 per cent of the \$1bn a year U.S. market.

Beecham said yesterday that it would raise the \$85m purchase price partly from internal resources and partly through borrowing.

Beecham had pre-tax profits of £144m in the last financial year. It was attracted by Jovan's growth record and by the opportunities which existed in the U.S. fragrances and perfumes market. It estimated the market to be growing by about 10 per cent a year.

The group said the fragrances business was a "natural area of development." Beecham already has interests in cosmetics and beauty care products on the Continent.

Beecham stressed that there was no question of Jovan being merged with any of its other businesses. Jovan's existing chairman, president and executive vice-president are to continue in active management of the business "with Beecham representatives joining the Board."

Jovan is based in Chicago, where it employs 800 people. It has a manufacturing and distribution rights agreement with Beecham covering Canada and Mexico. About 80 per cent of Jovan's sales are in the U.S. and the rest in Canada and South America.

Beecham had sales of £165m in North and South America last year out of a total worldwide turnover of £923m.

Beecham said yesterday that Beecham Incorporated had obtained Bank of England permission for the early redemption of SwFr 80m worth of 5.5 per cent bonds due in 1987 at a principal and premium payment of 101 per cent. The bonds will now be redeemed on September 5.

Lex. Back Page

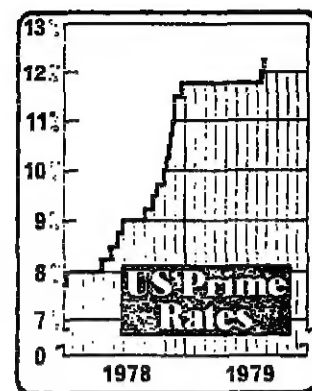
U.S. banks lift prime rates

BY JOHN WYLES IN NEW YORK

MORE THAN a dozen U.S. commercial banks yesterday lifted their prime rates to a record 12 1/2 per cent in a move which highlights the Federal Reserve Board's tough new credit policies.

U.S. prime rates, nationally the charge on bank loans to top quality customers, have been at 12 per cent for little more than a week. But yesterday they passed this particular peak. First established in September 1974, there will be little surprise among economists if the new level is not just a stalling post on the way to 12 1/2 per cent.

This is because of sharp increases in short term money market rates, and therefore the cost of bank funds, following recent credit tightening moves by the Fed. In less than a fortnight the Central Bank has raised its target rate on Fed funds, which are overnight loans



But the going could get distinctly rougher in the weeks ahead because of rising concern about the economic outlook.

The Fed's recent actions have coincided with calls from Mr. Volcker for monetary discipline which have carried strong echoes of his predecessor but one, Dr. Arthur Burns. With Presidential and Congressional elections next year and with some interest rates creeping past or equalling 1974-75 peaks, Mr. Volcker may risk attracting some of the political controversy which once surrounded Dr. Burns.

This is because of fears about the effects on the economy of the Fed's actions. However, Mr. Volcker has been reluctant to acknowledge publicly that the current slowdown does in fact mean a recession and, with unemployment still holding steady, he still has some time and room for manoeuvre.

Another factor working in his favour is that economists generally discount the risks of the Fed leading the economy into a credit squeeze of 1974-75 proportions.

Pound rises sharply

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

STERLING rose sharply yesterday against most other major currencies. Its trade-weighted index rose by 0.7 points to 71.9, the highest close for three weeks.

Trading was generally quiet yesterday and there were no obvious new influences. There were, however, reports of some sizeable buying after the shake-out of speculative positions earlier in the month.

Sterling at one point touched \$2.2530 before closing at \$2.2495. This was 1.6 cents higher than on Friday. The main movement appears to have been on Monday when the London market was closed for the bank holiday but there was strong buying in New York.

Yesterday's London close was about half a cent higher than Monday's finish in New York.

The pound also gained against the main Continental currencies—rising to DM 4.111 compared with DM 4.081 on Friday and to FF 9.80 against FF 9.511.

The dollar was generally firm against all currencies apart from sterling ahead of the announcement of U.S. trade figures for July.

The U.S. currency closed in Europe at DM 1.8290 compared with DM 1.8253 on Monday in New York and DM 1.8290 on Friday.

Further speculative demand was again reported for gold, including from the Middle East. The price per ounce at one stage touched \$317 before closing \$11 up since Friday at \$314 after some late selling from New York.

Money Markets. Page 28
Silver Price. Page 35

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Barre gives mild fillip to flagging French economy

BY ROBERT MAUTHNER IN PARIS

THE FRENCH Government is due today to announce a series of measures aimed at giving a modest stimulus to the flagging economy, and compensating low-income families for rapidly rising living costs.

The measures are being adopted somewhat earlier than expected, probably in an attempt to nip in the bud a mounting campaign by the unions and left-wing opposition parties against the economic policies of M. Raymond Barre, the Prime Minister.

The Government's critics have been given more ammunition by Monday's announcement that the cost of living index had risen by 1.3 per cent in July, pushing up the annual inflation rate, calculated on the basis of the last three months, to 13.8 per cent.

Although the Government's measures can hardly be described as reactionary, they will pump an estimated FF4.5bn (£470m) into the economy which, even on the most optimistic assumptions, is not expected to grow by more than 3 per cent this year.

Some FF2.5bn will be made available in the form of government credits to put new life into the public works and housing sectors, according to advance information leaked to the Press. One-off increases to social security payments made at the beginning of each school year will put an additional FF2.5bn into the pockets of nearly 5m low-income families with at least one child.

Apart from the measures due to be announced by the Cabinet today, the Government is also understood to be planning a substantial Budget deficit in 1980, although the size of the shortfall has not yet been revealed. The outturn for the 1979 Budget is expected to be a deficit of FF35bn to FF40bn, about half of which has been financed by successive State

loans. This departure from financial orthodoxy was sharply criticised yesterday by M. Michel Debre, a former Prime Minister and finance minister, who announced that he would refuse to vote for the Government's 1980 budget in the National Assembly.

M. Debre, a leading member of the Gaullist Rassemblement party pour la République party which, though



Former Prime Minister Michel Debre ... call to battle.

part of the ruling centre-right coalition, has not hesitated to hit out at M. Barre's policies, proposed a detailed alternative plan to deal with the country's economic problems.

Emphasising that the world was "in a state of economic war," M. Debre said France had to make sure it was in the winning camp by waging a full-scale battle against the causes of inflation and by adopting far-sighted economic development policies.

Rotterdam strike-hit ships sail to other ports

By Charles Batchelor in Amsterdam

SHIPS UNABLE to enter the port of Rotterdam because of the strike by tugboat crews and dockers have begun diverting to ports in Britain, Belgium and The Netherlands.

Seventeen vessels have sailed for other ports since the outbreak of the strike, the Rotterdam harbour authorities said yesterday.

A further 23 vessels were anchored off the harbour mouth yesterday compared with the 13 reported on Monday, although it was not clear whether they were waiting for a tug, for the tide or for a pilot.

The Harbour Employers' Association said that the general cargo sector was the hardest hit by the strike of 8,000 of the port's 12,000 dockers. Container ships and the passenger ferries have not yet been affected. The unions are due to meet on Friday to discuss a renewal of wage talks.

The strike started last Thursday among tugboat crews seeking extra pay, but dissatisfaction among other port workers at the failure to reach agreement on a 1979 wage contract prompted the extension of the unrest to other sectors.

The effects of the unofficial strike action could be felt in the Dutch petrochemicals industry where negotiations are still deadlocked on a 1979 wage contract, a union leader warned.

It will probably also have an impact on next year's wage negotiations throughout Dutch industry, said Mr. Wim Kok, chairman of the largest union federation, the FNV.

The federation is sticking to its refusal to recognise the strike but it blames the attitude of employers and the Government for the labour unrest. Unions, which have refrained from seeking basic wage increases recently, will be forced to ask for more money for their members next year unless the Government changes its policies. Mr. Kok warned after an emergency meeting of his union's executive.

KWU denies Brazil secret accord

BY JONATHAN CARR IN BONN

WEST GERMANY'S leading builder of power stations, Kraftwerk Union (KWU), has denied it is trying to prevent the transfer of nuclear technology to Brazil or to exercise control over Brazil's nuclear energy programme.

KWU issued the denial following publication in a Sao Paulo newspaper of what was described as a secret shareholders accord between KWU and Nuclen, the Brazilian nuclear energy company. Nuclen is a subsidiary of Nuclebras, the state nuclear agency.

The report, carried in the financial newspaper *Gazeta Mercantil* last week, has given rise to considerable controversy in Brazil, especially as it was published at the same time as the visit there by Count Otto

Lambdors, the German Economics Minister. It maintained that decision-making power over Brazil's \$10bn nuclear reactor and technology transfer agreement with West Germany would rest entirely with Kraftwerk Union.

The document published by the newspaper also claimed that, contrary to Brazilian Government statements in 1975, when the nuclear deal between the two countries was drawn up, technology transfers would be minimal.

The Sao Paulo police allegedly attempted to prevent publication of the *Gazeta Mercantil*, seizing the edition in the print shop and arresting three printers. The *Gazeta* used its Rio de Janeiro printing works to publish the paper

which Sao Paulo police later attempted to remove from newsstands.

KWU denied that there had been any secret accord. Nuclen had been established by the two sides in December, 1975, primarily to find and train personnel for the Brazilian nuclear programme.

Under the 1975 deal, the West Germans are to deliver eight nuclear reactors and technology to Brazil. There has been some delay in the construction of the first two reactors but Count Lambdors confirmed during his visit that the whole deal will still go ahead.

The company said that, through Nuclen, the West Germans would progressively transfer knowhow to the Brazilians so that, sometime in the 1980s,

they would be in a position to carry through the major share of the programme themselves.

He also denied two other key parts of the *Gazeta Mercantil* report. According to the newspaper all the equipment for the first two reactors—being constructed 80 miles south west of Rio de Janeiro—would be imported from West Germany while the Brazilian-made content for subsequent reactors could be as low as 10 per cent.

But according to KWU, the Brazilians were providing about 30 per cent of the technology and materials for the first two reactors, and the Europeans 70 per cent. For later reactors, the Brazilians would progressively take over a greater share so that foreign input would probably decline to about 10 per cent.

Turkish \$2.4bn debt signing

BY METIN MUNIR IN ANKARA

TURKEY TODAY takes a further step towards regulating its external finances with the planned signing in London of an agreement to restructure \$2.4bn of its foreign debt.

The agreement, to be concluded with some 200 international banks, covers short term foreign currency deposits made by banks and individuals in Turkish banks under the so-called convertible Turkish lira deposit (CTLD) scheme. Severe

financial problems which started in 1977 made Turkey unable to service these debts.

Implementation of the agreement is a condition for the release of the \$407m medium-term credit arranged for Turkey by a banking consortium last month. This in turn was linked to approval by the International Monetary Fund of Turkey's new standby loan of \$300m.

Under the restructuring agreement, repayment will be made

over seven years, including a 37-month grace period. In six equal tranches.

Interest will be 11 per cent over the London interbank offered rate (Libor).

With the CTLDs out of the way, only two categories of the country's foreign debt remain not yet restructured: \$1.8bn to suppliers uncovered by export insurance agencies and \$450m in third party reimbursement claims.

Portugal revises budget deficit

BY JIMMY BURNS IN LISBON

PORTUGAL'S BUDGET deficit for this year will be at least Es 130bn (£1.18bn). This is Es 30bn (£272m) more than the forecast of Dr. Carlos Mota Pinto's government, which it resigned in June.

The revised estimate is the background to several amendments to the 1979 budget for which the present session of Parliament has been extended. Debate on specific requests for increases in expenditure

and new tax provisions began yesterday and is scheduled to last until September 1. This will delay the long-awaited dissolution of Parliament by President Antonio Ramalho Eanes and the setting of a date for the autumn election.

The revised budget forecast is based on a more "realistic" assessment by the caretaker government of Dr. Maria de Lourdes Pintasilgo. Last year,

the initial projected deficit was 40 per cent lower than the actual deficit and the pattern is not expected to change much in 1979.

The political crisis surrounding the downfall of the Mota Pinto government and the subsequent delay in the adoption of sales tax measures has been aggravated by widespread tax evasion and a badly structured tax system.

Spaniards urge lifting of Gibraltar ban

By Our Gibraltar Correspondent

MORE THAN 3,000 Spaniards in the border town of La Línea have urged the Madrid Government to lift the restrictions against Gibraltar and to open the frontier gates, which were sealed 10 years ago by the Franco regime.

The petition, sent to Sr. Adolfo Suarez, the Spanish Prime Minister, says that Spanish policy on the Gibraltar issue has been a failure and that a new policy should be to develop links with the British colony.

As a first step towards normal relations, the petitioners urge that the border be opened to pedestrians and that discussions be instituted between leaders on both sides. British policy is that it would be inconceivable for Spain to enter the European Community while retaining the restrictions on Gibraltar, although successive British Governments are refusing to link the two issues formally. Sir Ian Gilmere, the Lord Privy Seal, took this line on an official visit to Gibraltar last month.

Russia is asked for truth on Wallenberg

By Maurice Samuels

THE UNITED STATES Government is trying to find out if a Swedish diplomat is still alive in Russia, despite Soviet claims that he perished there 32 years ago. It has asked the Soviet embassy in Washington about the fate of Mr. Raoul Wallenberg, kidnapped by the Russians in Budapest shortly before the end of World War Two.

The question is a diplomatic minefield, because the Russians have been accused of persistently lying about Wallenberg's fate. They maintain that he died of a heart attack in the Lubyanka prison in July 1947. But over the years numerous witnesses have testified to seeing him in other prisons after that date. He would now be 67.

In his native Sweden, Wallenberg is regarded as a national hero. A member of the Wallenberg banking family, he was responsible for saving thousands of Hungarian Jews from extermination in the gas chambers of the U.S.S.R. after the war. His grave rests in the Russian capital, Moscow, where he was buried in 1980.

Sweden's stance on the matter has been challenged over the years. In 1964, the Swedish Government was accused of having secretly released Wallenberg to the Soviet Union for 35 years, and recently been seen in the Lubyanka prison hospital. It also referred to "signatures" of Wallenberg in other prisons in the 1950s and 1960s.

Moscow, briefly, reiterated that Wallenberg was dead and said that there could be no more information about him. However, it has been reported that the person who said he had seen the mysterious Swede, a Mr. Jan Karlovich of Moscow, is back in prison and cannot be approached for more details.

The U.S. inquiry has been made with the knowledge of the Swedish Government and at the request of Mrs. Nina Lindgreen, the missing man's half-sister, who last month met Mr. Cyrus Vance, the Secretary of State, in New York. The Israeli Government, too, has been encouraging the Americans to act.

There is little hope that the Russian reply, when it comes, will differ from those it has given to Sweden over the years. Nevertheless, interest is likely to increase rather than diminish over the next few months.

The Swedish Government, reversing the secretive policy of some of its predecessors, plans to release the bulk of its monumental file on Wallenberg, numbering some 10,000 documents. These are being screened for publication. The only ones to be held back, the Government says, are those which might embarrass third countries or witnesses shy of publicity. Experts believe the papers which do come out will provide more valuable clues which it is not too late to pursue.

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Crippling burden of losses for Italian state concern

BY PAUL BETTS IN ROME

AT A conservative guess, the Italian state steel industry is now losing about £1m a day. In view of its crippling burden of accumulated losses and debts, it has just called, as it has invariably done every summer for the past three years, for substantial fresh funds to embark on a long overdue recovery programme.

Sig Alberto Capanna, chairman of the state Finisider group, which accounts for nearly 55 per cent of the country's steel production and about 90 per cent of pig iron output, has stated that Finisider needs an urgent recapitalisation of some L1,300bn (£714m) and an interest-free government loan of about L2,000bn.

Like the rest of the European steel industry, the steel sector in Italy has suffered from the world recession. There have recently been signs of a market improvement. But the state steel industry has not been able to take advantage of this because a wave of strikes has cut production. Italian steel output last year totalled 24.3m tonnes of which the state industry accounted for about 12m tonnes, well below its total capacity.

While the state industry has effectively reached a financial breaking point, the country's private steel sector has so far managed to struggle through the crisis. The small private producers in the northern region of Lombardy, whose low-cost exports of reinforcing steel bars have represented a thorn in European Community steel policy for the past two years, have up to now weathered the storm. This is largely the result of constant technological improvement and renewal and the flexibility of their manufacturing activities.

Moreover, the small northern producers have repeatedly been accused of unfair competition by other European manufacturers because of their reported use of so-called "black labour." The North Italian producers claim they have so far managed to contain labour costs to a minimum by investing heavily in labour substituting technology.

This is not the case for the state steel sector, which has seen its labour costs accelerate more rapidly than those of European competitors and has

been plagued by particularly high absenteeism, strikes and low productivity.

Likewise, the Fiat steel subsidiary with more than 30 plants and employing some 35,000 people, has successfully rationalised its production, concentrating on special steels, which Italy continues to import at a rate of about 500,000 tonnes a year.

However, the state steel industry is clearly less flexible. It is under a "social obligation" to preserve employment levels and open, as in the case of the entire Italian state sector, to constant political pressures and interference.

Indeed, one of the biggest liabilities of the Finisider group is the Bagnoli steel complex in the depressed area of Naples, which, with a current annual production capacity of more than 2m tonnes, is among the oldest in Italy. Although a L450bn restructuring programme for Bagnoli has now been approved, union pressure has forced the authorities to abandon earlier plans for a substantial reduction of employment at the plant. Finisider has also warned that

unless production and employment are drastically reduced at some minor plants, these are unlikely to be viable in the longer term.

With these exceptions, Finisider claims its steel plants are generally more competitive than those of other large European producers on account of their output of high technology steel products. The Taranto steel works for example, Italy's fourth and most recent integrated steel complex, is generally acknowledged to be one of the most technologically advanced plants in Europe.

It sells a considerable output of its steel pipes to the Soviet Union, and the state steel industry is optimistic over the future of the steel pipe market because of the need to expand oil and gas production and transport.

Finisider is currently spending some L214bn to rationalise its Taranto steel works, while it is now completing a L290bn rationalisation programme for the integrated steel complex at Corigliano near Genoa. Rationalisation has also been undertaken at the plant of

Piombino, near Leghorn, which produces among other things special steels.

Taranto was sited at the tip of southern Italy as part of the intensive industrialisation programme of the depressed South in the 1960s. But the problem of higher export and transport costs to the industrial North persists. Indeed, Taranto is generally regarded as having failed to meet the expectations of the South as it has not encouraged the development of other industries nor generated additional employment on any scale in the area.

The troubles of the state steel industry are essentially financial. In Finisider's balance-sheet for the year ending April 1979, the group's consolidated deficit increased from L500bn the previous year to L581bn. Debt interest was even higher: it about totalled last year L762bn, or about 15 per cent of the group's turnover of some L5,000bn.

The problem dates back to the period immediately following the world steel crisis of 1974, when the steel industry built up its crippling indebted-

ness by having to revert heavily to the financial markets to cover its increasing losses.

Because of the unfavourable market conditions, with interest rates in Italy reaching at some stages peaks of more than 20 per cent, the state itself was reluctant to inject funds directly into the state controlled steel groups but at the same time, it was equally reluctant to let the state steel industry reduce employment levels.

Simultaneously, the state steel groups have seen their minority private shareholders steadily decline and have had to rely practically exclusively on Government funding. In the case of Italsider, the largest operating company in the Finisider group, private shareholders have dropped from 38 per cent in 1974 to barely 4 per cent of the company's base capital this year.

The state thus has been forced to come to the rescue. Even so, according to Finisider, state intervention has so far been inadequate and the group's capital is still low compared with its fixed investments. Alongside the call for fresh



state funding, the state steel sector has now openly appealed to the trade union movement to help improve plant productivity and to reduce labour unrest. In the past 10 years, Italsider alone is understood to have lost 20m working hours through strikes, or the total annual working requirement for a steel complex employing 12,000 people.

European competitors, Finisider claims, have increased the economic viability of their plants by reducing employment. In this sense, the group warns that, unless industrial harmony improves, any financial recovery programme would be seriously jeopardised—which would have obvious repercussions on employment.

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Iran warned after unrest breaks out in Bahrain

BY OUR FOREIGN STAFF

BAHRAIN yesterday warned Iran to stop intrigues which could harm relations between the two states, according to the local daily newspaper *Al-Bahr*. It quoted a Ministry of Information official as denying reports in the Iranian Press that the Government of Bahrain had suppressed pro-Palestinian demonstrations staged in response to Ayatollah Khomeini's call for a show of solidarity on Jerusalem Day, August 17.

The warning has been taken however, to refer to recent unrest in Bahrain following the arrest of Mr. Mohammed Ali Akbar, a Shiite religious leader, on his return from Tehran. Unofficial reports spoke of police using tear gas and batons to disperse a crowd protesting over the arrest and demanding the establishment of an Islamic State.

Mr. Akbar was reported to have visited Ayatollah Sadegh Rohani, the Iranian religious leader who has repeatedly claimed that Bahrain is part of Iran. Mr. Akbar was arrested at Bahrain airport on Wednesday, the eve of the Eid al Fitr holiday, marking the end of the Ramadan fast.

On Thursday about 500 of his supporters gathered to march to the headquarters of the Ministry of the Interior to demand his release and to call for an Islamic state.

Local newspapers, mindful of a new publication law which bans anything "likely to encourage dissent," have so far remained silent.

Akbar al Khaleefi also quoted the Ministry official as denying that the Government was hostile to Iran's revolution. Such allegations, he said, could only play into the hands of the enemies of Islam, at a time when Iran needed friends and not enemies. There has been trouble in other parts of Bahrain, and several more arrests were made yesterday morning. But shops were open as usual, with their windows unshattered, and employees were said to be back at work after the holiday.

The cause of a fire in Bahrain's largest cinema, in the early hours of Monday morning, is still unknown. No-one was injured, and six men sleeping on the roof were rescued by firemen from a hydraulic platform.

Places of entertainment have frequently been the target of criticism by the more extreme religious groups, and the possibility that the fire was started deliberately cannot be ruled out. The cinema houses the 5,000 reels of the film library for Bahrain.

Settlements to be built in Gaza

BY DAVID LENNON IN TEL-AVIV

ISRAEL IS to set up another Jewish settlement in the occupied Gaza Strip this week, and work is due to start next week on another.

Despite negotiations with Egypt and the U.S. on a Palestinian self-rule in the Gaza Strip and West Bank, Israel has intensified efforts to move settlers into the Strip. Three villages have been established and three more are planned.

While international attention has focused on Israeli settlement activities on the occupied West Bank, the Government has been pressing ahead with its plan to create a buffer zone of Jewish settlements at the southern end of the Strip.

The new settlements are designed to replace those which Israel has been obliged to abandon in Sinai under the peace agreement with Egypt. They will serve the same stated purpose: blocking the traditional invasion route from Sinai into Israel.

The settlement project on the West Bank has run into some difficulty because of the expropriation of private land, which has led Arab farmers and landowners to appeal to the High Court in Jerusalem. But in Gaza the settlements are being built in an area taken over years ago by the Army for training.

Earlier attempts to establish settlements in the densely populated Strip have failed in all but one case because Israel were unenthusiastic about living among 400,000 Palestinians in an area only 40 km long and 5 to 10 km wide.

The few hundred settlers in the area worried about their future, when assured last week by Mr. Ezer Weizman, the Defence Minister, that Israel had no intention of uprooting them, whatever the agreement reached in the Palestinian autonomy talks.

A Cabinet review of Israel's war of attrition against the Palestinians in South Lebanon has been postponed at Mr. Weizman's request. It was due yesterday following questions from a number of Ministers about the efficiency of the attacks and the negative image which they create for Israel abroad.

S. Africa black union signs pact

BY QUENTIN PEEL IN JOHANNESBURG

KELLOGGS, the U.S. breakfast cereal manufacturer, has formally recognised an unregistered and independent black trade union. The agreement, only the second of its kind in South Africa, could lessen the tension between the Government and the Commission of Enquiry.

The agreement, signed between Kellogg's wholly-owned South African subsidiary and the 2,000-member Sweet, Food and Allied Workers' Union, grants recognition to the union's shop stewards, allows union officials access to the factory, and provides for union subscriptions to be deducted from workers' wages.

But the deal cuts right across the recommendations of the recent Weizman Commission on Labour Laws, and could be nullified by the Government if the Commission's recommendations are accepted. The union has refused to register under the Government's new "Labour Dispensation," which would exclude black migrant workers from union membership, but recognise black unions. The commission proposed that any agreement between a company and an unregistered union should be outlawed, as a means of compelling registration.

The factory, at Springs outside Johannesburg, employs nearly 300, of whom some 210 are black. The company signed the deal, it hired an independent assessor to determine the extent of union membership.

The only previous signed deal between an individual company and an unregistered black union is at Smith and Nephew, subsidiary of the British Pharmaceutical Company, in Natal.

Capital investment up in Japan

BY RICHARD C. HANSON IN TOKYO

THE FIRST survey of business in Japan released since the latest increase in prices by the Organisation of the Petroleum Exporting Countries (OPEC) indicates that capital spending plans of private companies this year may have been stepped up, particularly in the manufacturing sector where last year investment declined.

The Long-Term Credit Bank of Japan, which specialises in long-term lending, reports that its July survey of more than 1,000 private companies showed a marked improvement over a similar sampling taken in February.

Industry as a whole in the latest survey said capital spending for the fiscal year starting last April would be up 11.5 per cent from last year. In February the companies, which account for about a third of all private capital investment in Japan, expected spending to be up only 5.8 per cent.

Results of the survey point to more confidence among businessmen than previously expected after OPEC raised its prices in June. Since June, the Japanese Government has moved to tighten credit and slow wholesale price inflation, which has worsened sharply during summer. This will threaten to disrupt growth but if spending plans are realised, private investment may act as a stabilising influence for the economy as a whole, a role it has not played in recent years.

The largest increases in spending plans are in manufacturing. Led by previously depressed industries such as textiles, paper, pulp, metal products and non-ferrous metals and general machinery, manufacturing spending is projected to rise 16.6 per cent this year after a drop of 9.3 per cent last year.

NOTICE OF REDEMPTION

To the Holders of

THE PROCTER & GAMBLE INTERNATIONAL COMPANY

6 3/4% Guaranteed Debentures Due 1982

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of September 15, 1967, between The Procter & Gamble International Company, The Procter & Gamble Company, as Guarantor, and Morgan Guaranty Trust Company of New York, as Trustee, \$1,350,000, principal amount of the above Debentures have been selected by lot for redemption on September 15, 1979, through operation of the Sinking Fund, at the redemption price of 100% of the principal amount thereof, together with accrued interest thereon to said redemption date, each in the denomination of \$1,000 bearing the serial numbers with the prefix letter "A1" as follows:

Outstanding Debentures bearing serial numbers ending in any of the following two digits:

05 06 10 20 25 30 35 40 45 50 55 60 65 70 75 80 85 90 95

Also Debentures bearing the following serial numbers:

3 1799 4899 7899 9399 10799 12299 14499 16599 18299 19799 22199 23799

On September 15, 1979, the above Debentures will become due and payable in cash or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts. Payment will be made upon presentation and surrender of the above Debentures with coupons due September 15, 1980 and subsequent coupons attached at (a) the corporate trust office of Morgan Guaranty Trust Company of New York, 60 West Broadway, New York, New York 10015 or (b) the main offices of Morgan Guaranty Trust Company of New York in Brussels, Frankfurt, London and Paris; Banca Wawiller & C. S.p.A. in Milan; Bank Aes & Töpe NV in Amsterdam; and Kreditbank S.A. Luxembourg; or (c) any of the offices referred to in (b) will be made by check drawn on a dollar account, or by transfer to a dollar account maintained by the payee, with a bank in New York City.

Coupons due September 15, 1979 should be detached and collected in the usual manner.

On and after September 15, 1979 interest shall cease to accrue on the Debentures selected for redemption.

THE PROCTER & GAMBLE INTERNATIONAL COMPANY
By: MORGAN GUARANTY TRUST COMPANY
OF NEW YORK, Trustee

Dated: August 15, 1979

NOTICE

The following Debentures previously called for redemption have not as yet been presented for payment:

DEBENTURES OF \$1,000 EACH

| | | | | | | | | | | | | | | | |
|-----|------|------|------|------|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 48 | 1210 | 3123 | 3205 | 6640 | 9082 | 11360 | 13504 | 15509 | 20130 | 20156 | 20178 | 20210 | 20233 | 20270 | 20320 |
| 487 | 1213 | 3182 | 3297 | 6641 | 9128 | 11363 | 13507 | 15513 | 20132 | 20157 | 20179 | 20211 | 20234 | 20271 | 20321 |
| 488 | 1214 | 3183 | 3298 | 6642 | 9129 | 11364 | 13508 | 15514 | 20133 | 20158 | 20180 | 20212 | 20235 | 20272 | 20322 |
| 489 | 1215 | 3184 | 3299 | 6643 | 9130 | 11365 | 13509 | 15515 | 20134 | 20159 | 20181 | 20213 | 20236 | 20273 | 20323 |
| 490 | 1216 | 3185 | 3300 | 6644 | 9131 | 11366 | 13510 | 15516 | 20135 | 20160 | 20182 | 20214 | 20237 | 20274 | 20324 |
| 491 | 1217 | 3186 | 3301 | 6645 | 9132 | 11367 | 13511 | 15517 | 20136 | 20161 | 20183 | 20215 | 20238 | 20275 | 20325 |
| 492 | 1218 | 3187 | 3302 | 6646 | 9133 | 11368 | 13512 | 15518 | 20137 | 20162 | 20184 | 20216 | 20239 | 20276 | 20326 |
| 493 | 1219 | 3188 | 3303 | 6647 | 9134 | 11369 | 13513 | 15519 | 20138 | 20163 | 20185 | 20217 | 20240 | 20277 | 20327 |
| 494 | 1220 | 3189 | 3304 | 6648 | 9135 | 11370 | 13514 | 15520 | 20139 | 20164 | 20186 | 20218 | 20241 | 20278 | 20328 |
| 495 | 1221 | 3190 | 3305 | 6649 | 9136 | 11371 | 13515 | 15521 | 20140 | 20165 | 20187 | 20219 | 20242 | 20279 | 20329 |
| 496 | 1222 | 3191 | 3306 | 6650 | 9137 | 11372 | 13516 | 15522 | 20141 | 20166 | 20188 | 20220 | 20243 | 20280 | 20330 |
| 497 | 1223 | 3192 | 3307 | 6651 | 9138 | 11373 | 13517 | 15523 | 20142 | 20167 | 20189 | 20221 | 20244 | 20281 | 20331 |
| 498 | 1224 | 3193 | 3308 | 6652 | 9139 | 11374 | 13518 | 15524 | 20143 | 20168 | 20190 | 20222 | 20245 | 20282 | 20332 |
| 499 | 1225 | 3194 | 3309 | 6653 | 9140 | 11375 | 13519 | 15525 | 20144 | 20169 | 20191 | 20223 | 20246 | 20283 | 20333 |
| 500 | 1226 | 3195 | 3310 | 6654 | 9141 | 11376 | 13520 | 15526 | 20145 | 20170 | 20192 | 20224 | 20247 | 20284 | 20334 |
| 501 | 1227 | 3196 | 3311 | 6655 | 9142 | 11377 | 13521 | 15527 | 20146 | 20171 | 20193 | 20225 | 20248 | 20285 | 20335 |
| 502 | 1228 | 3197 | 3312 | 6656 | 9143 | 11378 | 13522 | 15528 | 20147 | 20172 | 20194 | 20226 | 20249 | 20286 | 20336 |
| 503 | 1229 | 3198 | 3313 | 6657 | 9144 | 11379 | 13523 | 15529 | 20148 | 20173 | 20195 | 20227 | 20250 | 20287 | 20337 |
| 504 | 1230 | 3199 | 3314 | 6658 | 9145 | 11380 | 13524 | 15530 | 20149 | 20174 | 20196 | 20228 | 20251 | 20288 | 20338 |
| 505 | 1231 | 3200 | 3315 | 6659 | 9146 | 11381 | 13525 | 15531 | 20150 | 20175 | 20197 | 20229 | 20252 | 20289 | 20339 |
| 506 | 1232 | 3201 | 3316 | 6660 | 9147 | 11382 | 13526 | 15532 | 20151 | 20176 | 20198 | 20230 | 20253 | 20290 | 20340 |
| 507 | 1233 | 3202 | 3317 | 6661 | 9148 | 11383 | 13527 | 15533 | 20152 | 20177 | 20199 | 20231 | 20254 | 20291 | 20341 |
| 508 | 1234 | 3203 | 3318 | 6662 | 9149 | 11384 | 13528 | 15534 | 20153 | 20178 | 20200 | 20232 | 20255 | 20292 | 20342 |
| 509 | 1235 | 3204 | 3319 | 6663 | 9150 | 11385 | 13529 | 15535 | 20154 | 20179 | 20201 | 20233 | 20256 | 20293 | 20343 |
| 510 | 1236 | 3205 | 3320 | 6664 | 9151 | 11386 | 13530 | 15536 | 20155 | 20180 | 20202 | 20234 | 20257 | 20294 | 20344 |
| 511 | 1237 | 3206 | 3321 | 6665 | 9152 | 11387 | 13531 | 15537 | 20156 | 20181 | 20203 | 20235 | 20258 | 20295 | 20345 |
| 512 | 1238 | 3207 | 3322 | 6666 | 9153 | 11388 | 13532 | 15538 | 20157 | 20182 | 20204 | 20236 | 20259 | 20296 | 20346 |
| 513 | 1239 | 3208 | 3323 | 6667 | 9154 | 11389 | 13533 | 15539 | 20158 | 20183 | 20205 | 20237 | 20260 | 20297 | 20347 |
| 514 | 1240 | 3209 | 3324 | 6668 | 9155 | 11390 | 13534 | 15540 | 20159 | 20184 | 20206 | 20238 | 20261 | 20298 | 20348 |
| 515 | 1241 | 3210 | 3325 | 6669 | 9156 | 11391 | 13535 | 15541 | 20160 | 20185 | 20207 | 20239 | 20262 | 20299 | 20349 |
| 516 | 1242 | 3211 | 3326 | 6670 | 9157 | 11392 | 13536 | 15542 | 20161 | 20186 | 20208 | 20240 | 20263 | 20300 | 20350 |
| 517 | 1243 | 3212 | 3327 | 6671 | 9158 | 11393 | 13537 | 15543 | 20162 | 20187 | 20209 | 20241 | 20264 | 20301 | 20351 |
| 518 | 1244 | 3213 | 3328 | 6672 | 9159 | 11394 | 13538 | 15544 | 20163 | 20188 | 20210 | 20242 | 20265 | 20302 | 20352 |
| 519 | 1245 | 3214 | 3329 | 6673 | 9160 | 11395 | 13539 | 15545 | 20164 | 20189 | 20211 | 20243 | 20266 | 20303 | 20353 |
| 520 | 1246 | 3215 | 3330 | 6674 | 9161 | 11396 | 13540 | 15546 | 20165 | 20190 | 20212 | 20244 | 20267 | 20304 | 20354 |
| 521 | 1247 | 3216 | 3331 | 6675 | 9162 | 11397 | 13541 | 15547 | 20166 | 20191 | 20213 | 20245 | 20268 | 20305 | 20355 |
| 522 | 1248 | 3217 | 3332 | 6676 | 9163 | 11398 | 13542 | 15548 | 20167 | 20192 | 20214 | 20246 | 20269 | 20306 | 20356 |
| 523 | 1249 | 3218 | 3333 | 6677 | 9164 | 11399 | 13543 | 15549 | 20168 | 20193 | 20215 | 20247 | 20270 | 20307 | 20357 |
| 524 | 1250 | 3219 | 3334 | 6678 | 9165 | 11400 | 13544 | 15550 | 20169 | 20194 | 20216 | 20248 | 20271 | 20308 | 20358 |
| 525 | 1251 | 3220 | 3335 | 6679 | 9166 | 11401 | 13545 | 15551 | 20170 | 20195 | 20217 | 20249 | 20272 | 20309 | 20359 |
| 526 | 1252 | 3221 | 3336 | 6680 | 9167 | 11402 | 13546 | 15552 | 20171 | 20196 | 20218 | 20250 | 20273 | 20310 | 20360 |
| 527 | 1253 | 3222 | 3337 | 6681 | 9168 | 11403 | 13547 | 15553 | 20172 | 20197 | 20219 | 20251 | 20274 | 20311 | 20361 |
| 528 | 1254 | 3223 | 3338 | 6682 | 9169 | 11404 | 13548 | 15554 | 20173 | 20198 | 20220 | 20252 | 20275 | 20312 | 20362 |
| 529 | 1255 | 3224 | 3339 | 6683 | 9170 | 11405 | 13549 | 15555 | 20174 | 20199 | 20221 | 20253 | 20276 | 20313 | 20363 |
| 530 | 1256 | 3225 | 3340 | 6684 | 9171 | 11406 | 13550 | 15556 | 20175 | 20200 | 20222 | 20254 | 20277 | 20314 | 20364 |
| 531 | 1257 | 3226 | 3341 | 6685 | 9172 | 11407 | 13551 | 15557 | 20176 | 20201 | 20223 | 20255 | 20278 | 20315 | 20365 |
| 532 | 1258 | 3227 | 3342 | 6686 | 9173 | 11408 | 13552 | 15558 | 20177 | 20202 | 20224 | 20256 | 20279 | 20316 | 20366 |
| 533 | 1259 | 3228 | 3343 | 6687 | 9174 | 11409 | 13553 | 15559 | 20178 | 20203 | 20225 | 20257 | 20280 | 20317 | 20367 |
| 534 | 1260 | 3229 | 3344 | 6688 | 9175 | 11410 | 13554 | 15560 | 20179 | 20204 | 20226 | 20258 | 20281 | 20318 | 20368 |
| 535 | 1261 | 3230 | 3345 | 6689 | 9176 | 11411 | 13555 | 15561 | 20180 | 20205 | 20227 | 20259 | 20282 | 20319 | 20369 |
| 536 | 1262 | 3231 | 3346 | 6690 | 9177 | 11412 | 13556 | 15562 | 20181 | 20206 | 20228 | 20260 | 20283 | | |

AMERICAN NEWS

Chairman Hua
accepts Mondale
invitation to visit

BY JOHN HOFFMANN IN PEKING

CHAIRMAN Hua Guofeng has accepted "with delight" an invitation to visit the United States in 1980, Mr. Walter Mondale, the U.S. Vice-President, said yesterday. Mr. Mondale also announced that President Carter hopes to visit China next year.

Vice-President Mondale said that his discussions with Chinese leaders had revealed broad areas of agreement on foreign policy.

Both sides had agreed in strong terms that the Vietnamese occupation of Kampuchea was "unacceptable," he said. The Chinese leaders were offended by Vietnamese policies over Kampuchea, the expulsion of ethnic minorities from Vietnam and regional domination.

They had described their feelings "with a good deal of heat" and repeated that they reserved the right to teach Vietnam a lesson similar to that delivered during the border war early this year, he said.

Mr. Mondale said he had explained in detail American hopes for a political resolution in Kampuchea involving the

complete withdrawal of Vietnamese forces. "We see no hope in the puppet Government of Heng Samrin, it has no legitimacy whatever," said Mr. Mondale.

The U.S. looked forward to co-operation with China in every field other than military arrangements. Mr. Mondale, said, clarifying a remark he made the day before. His statement that any nation which sought to weaken or isolate China in world affairs assumed a stance counter to American interests was not an offer of military support against nations showing aggression towards China, he said yesterday. "We do not have, or anticipate, a military relationship with China."

Mr. Mondale was speaking on his last night in Peking after three days of talks with Chairman Hua Guofeng, Vice-Premier Deng Xiaoping and other leaders. He will visit other cities in China this week.

David Buchan adds from Washington: State Department officials stressed here yesterday that Vice-President Mondale's



Mr. Mondale is applauded by Peking University faculty members.

effusive speech in Peking followed the track of Mr. Carter's desire to broaden U.S.-China relations, but did not indicate any Administration "tilt" towards Peking and away from Moscow.

It remained Administration policy not to sell arms to either country. Despite the Administration's declared intent to be even-handed in its policies towards Moscow and Peking, the Vice-President made it clear, however, that submission of the recently signed U.S.-China trade agreement to Congress for approval did not hang on reaching similar agreements with the Soviet Union.

Senator Henry Jackson had accused the Administration before Mr. Mondale arrived in Peking of deliberately holding up the China trade accord to

try to reach similar arrangements on credit and tariffs with the Soviet Union.

The Peking leadership has strongly criticised the SALT nuclear arms treaty with Moscow, and urged the U.S. to step up its defence spending to meet the Soviet threat. The Carter Administration is developing plans to present a supplementary defence budget to Congress this autumn, partly to try to assure Senate approval of the pact.

But Mr. Harold Brown, the Defence Secretary, said last week that the Administration still considered that a 3 per cent real increase in defence spending, as proposed last January in the 1980-81 budget, was adequate. A supplementary budget would be needed just to make good the erosion caused by inflation this year.

Foreigners invest record \$40bn in U.S.

BY JOHN WYLES IN NEW YORK

FOREIGN DIRECT investment in the U.S. climbed by a record \$6.24bn last year, taking the total value of foreign-owned investment to \$40.83bn, according to official figures released yesterday.

Boosted by the weakness of the dollar and the relative cheapness of U.S. assets as measured by stock market values, the 18 per cent increase in foreign direct investment ran the gamut of American business, from banking, retailing and petroleum to railway car manufacturing and real estate. The figures suggest that, last year at least, profits from foreign-owned direct invest-

ments grew at a substantially faster pace than did those of U.S.-owned business.

Whereas U.S. corporate profits increased by 17 per cent during 1978, foreign parent companies drew 38.7 per cent more income, totalling \$2.96bn, from their U.S. affiliates last year.

Between 35 and 40 per cent of the new foreign investment last year would have been reinvestment of affiliates' earnings. Until the 1970s, foreign direct investment in the U.S. averaged a few hundred million dollars a year, but the decline in the dollar since 1971 and the desire of many foreign companies to spread their assets has

more than trebled the total investment in the U.S. since 1970. Last year's increase followed a 12.4 per cent rise in 1977.

About two thirds of the direct investment has come from Europe, with the U.K., the Netherlands and West Germany in the vanguard, while Canada is the third largest source. Contrary to many expectations, direct investment by OPEC countries has been unofficially estimated at less than \$200m, 1 per cent of the total.

Earlier in the week the Commerce Department reported that U.S. corporations and individuals increased their overseas investments by 12 per cent last

year compared with a 10 per cent increase in 1977. U.S. direct investments abroad totalled \$188.1bn at the end of 1978, compared with \$149.8bn at the end of the previous year.

Specifically, petroleum investments were 6 per cent higher at \$33.3bn, manufacturing operations rose by 12.4 per cent to \$74.2bn and investments in other industries grew by 15.8 per cent to \$80.6bn.

U.S. companies' income from foreign affiliates increased by 28 per cent to \$25.7bn, a large proportion of which was attributable to foreign currency gains stemming from dollar depreciation.

Strauss 'seeking wider role in Mideast'

BY DAVID BUCHAN IN WASHINGTON

MR. ROBERT STRAUSS, the mediator appointed by President Carter to the Palestinian autonomy negotiations, is reported to be seeking to widen his role and to assume more Middle East policy responsibility from the State Department.

In the absence of Mr. Cyrus Vance, the Secretary of State, on holiday, Mr. Strauss this week has proposed a U.S. sponsored ceasefire in the Lebanon, arguing that continued fighting there involving Israeli troops is creating tensions between Israel and Egypt in the autonomy talks, and complicating his mediation job.

The proposal brought a frosty rebuttal in public from the State Department spokesman on Monday, who asserted that the Lebanon issue was the Secretary of State's responsibility.

Mr. Strauss was earlier said to have clashed with Mr. Vance and White House foreign policy officials on the ill-fated U.S. proposal for a compromise UN resolution on the Palestinian problem.

Car makers present pay offer

BY OUR NEW YORK STAFF

PAY NEGOTIATIONS in the U.S. motor industry moved into a more conclusive phase yesterday when General Motors and Ford presented their first offers. This follows six weeks of verbal sparring between the union and the manufacturers.

No details were released by the companies and the United Auto Workers did not have any immediate public reaction. But if the negotiations on a new three-year contract run true to

past form, the union will reject the offers as inadequate and warn of impending deadlock.

In any case, the UAW will raise the negotiating temperature tomorrow by announcing the target company at which it will concentrate its efforts to reach a pattern settlement for the industry.

There will be surprise if the target is not GM, since Ford was the selection in 1976 and Chrysler has been ruled out because of its financial frailty. The existing three-year con-

tract expires on September 14 and it is widely expected that no agreement will be reached by then and that GM workers will strike. Of greatest interest and significance will be whether GM takes a stand on the Government's pay guidelines and refuses a package which might breach them.

If it does so, and is on strike for any length of time, then the Administration's economic problems could be compounded, as a shutdown at GM would deepen the impact of a recession.

Ecuador's recently-elected president seeks 'social justice' on a shoestring

New broom Roldós starts sweeping

BY SARITA KENDALL IN QUITO

ECUADOR'S NEW constitutional President after seven years of military rule, Sr. Jaime Roldós Aguilera, has already shown he means to keep at least one of his electoral promises—not to remain office-bound.

On his first working day Sr. Roldós, sworn in this month after a landslide election victory in April, made an unexpected round of government buildings and threatened to sack civil servants if he found them slacking a second time. After the Presidential palace had been in candle light for several hours on his second day, Sr. Roldós paid the electricity company a tetchy visit to see why the whole of Quito was blacked out.

The weekend found the President walking through the slums of Guayaquil in search of a solution to the housing problems of tens of thousands who live in flimsy huts without access to any public services.

Nothing could have pleased Ecuadorians more after the years of unresponsive military rule, and even Sr. Roldós's severe warnings of austerity failed to dampen the feeling that he had made an excellent start.

Despite pressures to pay off loyal campaign workers with government posts, there are only four members of the President's Popular Forces Party in the Cabinet—many Ministers are independents from universities and the private sector.

However there have been threatening signs from elsewhere: Sr. Assad Bucaram, boss of the Popular Forces Party,



Sr. Roldós, the reforming president... investigates the slums of Guayaquil at first hand.



voted president of Congress as the result of an ideologically incoherent pact with the Conservatives, is reigning as though in a personal court and scores of vociferous party supporters make it impossible for opposition spokesmen to speak on certain subjects.

The leader of the Democratic Left accused the Popular Forces of running a dictatorship in congress after opposition parties staged a walk out when Sr. Bucaram, on a point of dubious legality, expelled three elected members and replaced them with his own party followers. Sr. Carlos Julio Arosemena, a former civilian President, who has been the frequent target of Sr. Bucaram's barbed humour,

said this was just the way to bring back the military.

Though there have been no head-on clashes between Sr. Roldós and Congress as yet, some legislative projects—such as a 20 per cent revaluation of the sucre against the dollar—could lead to a show-down. But the private sector and government financial experts have spoken out against any revaluation, especially at a time when international reserves are falling and Ecuador is heavily dependent on export growth to keep up public investment.

Indeed the financial obstacles to the programme of reforms proposed by Sr. Roldós may prove more serious than his political upsets. With Ecuador's

foreign public debt already over \$3bn (excluding military commitments) there is little room for borrowing, and Dr. Fernando Aspiun, the Finance Minister, estimates the year's budget deficit at \$250m.

Exports were up by more than 25 per cent compared with 1978 during the first half of this year, but most of this increase was due to high oil prices and the volume of crude exports will be falling rapidly from 1980 onwards.

Sr. Mauricio Dávalos, the new Energy Minister, is giving priority to oil exploration, and the role of the state oil corporation is to be strengthened—though it seems likely that projects such as the petrochemical industry will have to wait until Ecuador's current reserves of 12bn barrels are boosted by new finds. One of the most complex decisions awaiting the Government is the rationalisation of local fuel consumption and prices: petrol, at 20 U.S. cents a gallon is among the cheapest in the world, a luxury the country can no longer afford.

WORLD TRADE NEWS

\$1.2bn loan for Korean power plants

WASHINGTON—The U.S. Export-Import Bank has granted preliminary approval of a record \$1.17bn credit toward the construction of two nuclear power plants in South Korea, Eximbank President Mr. John Moore announced. The loan carries an interest rate of 8 per cent.

The credit is however subject to a 25-day Congressional review period before final approval.

The nuclear steam supply system, turbine generators and fuel fabrication will be provided by Westinghouse Electric, he added. Total value of U.S. export sales regarding the two projects is \$1.38bn.

Mr. Moore said the contract, awarded by Korea Electric, covers the supply of the two plants and other engineering, construction and management services to be carried out by U.S. companies.

Kia Industrial plans a Won 12.9bn (\$12m) diesel engine manufacturing plant at Shihung, Kyonggi Province.

The Hapdong News Agency said the proposed plant will be financed by Won 7.57bn in local currency and Won 5.34bn in foreign exchange, satisfied by an \$11m loan from the Royal Bank of Canada and three British Banks.

The plant with annual production capacity of 72,000 engines is expected to start commercial operations in the second half of 1980, enabling annual exports of some 4,000 diesel engines.

£16m credit for Petrobras

Financial Times Reporter

THE EXPORT Credits Guarantee Department has guaranteed the repayment and funding of a further \$35m (£16m) which Lloyds Bank International has made available to Petrobras Brasileiro SA (Petrobras), Brazil.

The loan is supplemental to the \$35m of ECGB guaranteed finance made available by Lloyds Bank International to Petrobras under an agreement signed in June 1978.

The loan will help finance contracts awarded by Petrobras or its subsidiaries to UK suppliers of capital goods for the expansion of the Brazilian in-shore and off-shore oil exploration and petrochemical development programmes.

UK companies with contracts from Petrobras will receive 85 per cent of the contract value from the loan; the remaining 15 per cent is payable from the buyer's own resources.

ECGB said yesterday that the conclusion of recent agreements had taken the value of export financing supported by the department under the foreign currency scheme to more than \$4bn. The scheme was introduced in the spring of 1977.

Hong Kong's exports upturn

Financial Times Reporter

HONG KONG'S domestic exports in July, valued at \$448.91m, rose by 46.9 per cent over July 1978. Imports at \$555.82m were up by 49.4 per cent and re-exports at \$143.73m up by 69 per cent, the Hong Kong Trade Development Council said.

For the period January to July this year, domestic exports at \$2,485bn rose by 36.2 per cent over the same period in 1978. Imports at \$4,026bn were up by 38.3 per cent and re-exports at \$934.39m were up by 56.9 per cent.

For the 12 months period August 1978 to July 1979, domestic exports at \$4.2bn rose by 31.3 per cent over the August 1977 to July 1978 period.

Small rise in ship orders

By James McDonald

THE VOLUME of merchant shipbuilding tonnage on order rose slightly during the second quarter of this year by 373,000 tons to 25,368 tons—the first increase since March 1974.

Lloyd's Register returns say that on the basis of these orders, representing about 21 months of work at current levels of output, almost 43 per cent of the world order book is scheduled for delivery by the end of 1979.

Approximately 4m gross tons of new orders were reported during the second quarter, slightly more than the 3.5m tons of shipbuilding output during the same period.

At the end of June Lloyd's Register lists 1,877 ships of 13.9m gross tons under construction (excluding the USSR and China 1.1m tons less) at the end of the first quarter.

Ericsson deals

By John Walker in Stockholm

THE SWEDISH L.M. Ericsson telephone company has been awarded orders worth SKr 35m (£3.74m) for signalling equipment by the Norwegian and Swedish state railways.

The equipment for Norway will be installed in the country's main line tracks. The Swedish order incorporates equipment similar to that already supplied and fitted to the railway network in the greater Stockholm area.

British Steel and Davy
bid for Indian contract

BY K. K. SHARMA IN NEW DELHI

THREE EUROPEAN companies, two of them British, have made proposals to the Indian Government for establishing steel plants. They are the British Steel Corporation, Davy International and Demag Mannesmann of West Germany.

The proposal from British Steel envisages setting up a steel plant with an initial capacity of 1.4m tonnes of steel, to be expanded later to a capacity of 2.4m tonnes annually.

Davy International's proposal involves participation by companies from France, West Germany and Italy. The plant proposed would have an initial capacity of 1.3m tonnes of saleable steel and later be expanded to 3m tonnes.

The most detailed proposal is from Demag which has gone into technical and financial aspects of the proposed project with an initial capacity of 1.5m

tonnes and expansion in two further stages to an ultimate capacity of 4.4m tonnes.

The Roman government has also shown interest in participation of a metallurgical project and has submitted a proposal to establish a blast furnace complex with technical and financial participation to produce saleable pig iron.

India is currently facing a severe steel shortage, partly because of low coal supplies by collieries; owing to transport difficulties. Plans for expansion of existing plants and setting up new ones are being actively considered.

Ray Heddon writes: The interesting feature of the steel plant bids is that British Steel and Davy, which have a history of collaboration in overseas steel plant construction, are in competition.

The implication is that British Steel's International division is showing a new

aggression in seeking overseas design and construction management contracts on its own.

Sir John Buckley, chairman of Davy International, is a member of the board of British Steel. He and Sir Charles Villiers, chairman of British Steel, have been actively seeking new steelworks construction contracts in China to be handled on a joint basis.

In view of the growing domestic steel supply shortage in India and the need to remedy it as quickly as possible to avoid higher steel imports, and consequent strain on the balance of payments, the Indian Government may well choose to expand its existing steel works in preference to ordering a new work.

The lead time for construction of an integrated works in India is thought to be at least seven years and probably longer.

W. BERLIN ELECTRONICS EXHIBITION
Viewdata system sparks debate

BY LESLIE COLT IN BERLIN

THE CURRENT International House Electronics Exhibition in West Berlin is the subject of a heated debate over who is to gain access to competitive television information and communication systems.

Both Britain's BBC and the Independent Broadcasting Authority (IBA) are here with their Teletext systems while the British Post Office is showing Prestel, its own printed information system.

The French have the Antiope text transmission system and, on top of the Bundespost is plugging its virtues of its Bildschirmtext system before "field trials" begin next year to provide home TV screens in West Germany with the service which is transmitted by telephone lines.

Although video communica-

tion represents only part of the home electronics exhibition, which is one of the world's largest, it is attracting considerable attention at a time when there are few real innovations in home entertainment electronics. Those such as the video cassette recorder with an eight-hour playing time have been unveiled here by the Japanese and Grundig.

The radio and TV exhibition, as it is somewhat misleadingly called, is of record size, this time with 525 companies from 26 countries spread over all 24 halls of the Berlin exhibition grounds as well as occupying the vast new International Congress Centre.

The exhibition serves as a testing ground for the DM 10bn West German home electronics market, as some 800,000 visitors scrutinise the products of West Germany and foreign manufacturers, while the West German media provides lavish coverage of the event in the 10 days of the fair that ends next Sunday.

The West German newspaper publishers launched their

broadside against the TV stations by accusing them of wanting a "total confrontation" with the printed press in videotext technology. They threw the word "monopoly" at the top two TV channels along with the accusation that a TV newspaper would touch on the "very existence of the newspapers."

The German newspaper publishers call their electronic information system a "fantasy medium" and say that if the TV stations start offering a free video newspaper then this will be countered by the publishers' own video text system.

Dr. Karl Steinbuch, a leading West German communications expert, criticised what he called the delays in introducing cable TV to West Germany. He noted that in West Germany the highest authorities first have to debate and consult on whether it will be of benefit to the man in the street while in the U.S. a "clever electrician put up an antenna and had cables to his

fallow citizens—a democratic action in the purist sense."

Malta seeks turnover increase

BY GODFREY GRIFA IN VALETTA

THE MALTESE Government is shortly expected to announce a substantial increase in wages in a bid to reap greater income from the islands' export activities.

Heads of the island's top exporting companies have been advised by Dr. Joseph Cassar, the acting premier, to prepare themselves for a sharp wage increase. The objective, Dr. Cassar explained, was to increase the unit price of exports and, in this manner, increase earnings. This,

together with import curbs, will help the island maintain a stable balance of payments position. An initial increase is expected, shortly, while the second award may be announced in the new year.

Mr. John Salazar, Central Bank Deputy Governor, told industrialists that the growth in the unit price of imports rose by 25 per cent, while that of exports grew by only 8 per cent. The move could have mixed effects on Malta's attempts to earn her own keep following

the loss of an annual M£25m (£38.6m) as a result of the closure of British military bases. Unless Malta's cost effectiveness is kept in balance it will be hard to continue attracting foreign investments.

Industrialists also fear that a substantial wage increase could hamper the competitiveness of Malta-made products abroad. On the other hand, the Government fears semi-manufactured and manufactured goods made in Malta are still competitive on the international market.

£300m Australian smelter gets joint foreign backing

BY JAMES FORTH IN SYDNEY

A CONSORTIUM led by Comalco, the Australian Aluminium Group, has signed an agreement committing it to a \$300m (£300m) aluminium smelter in Queensland. The group promptly gave notice that it planned to double the size of the project.

Gladstone Aluminium has been formed to operate a 200,000-tonnes-a-year smelter, starting at 103,000 tonnes in 1982 and reaching full capacity in 1983. The participants are Comalco, with a 30 per cent ownership, Kaiser Aluminium and Chemical Corporation of the U.S. 30 per cent; Sumitomo Light Metal Industries 17 per cent; Kobe Steel 9.5 per cent; Mitsubishi 9.5 per cent; Yohida Kovo 9.5 per cent; and Sumitomo Aluminium Smelting 4.5 per cent.

Comalco will manage the smelter and has contracts to supply its alumina requirements. The plant will use Sumitomo technology, which reduces the electricity requirements. A go-ahead had been expected for the smelter, which

was under investigation for several years. The final agreement was signed in Tokyo on Monday, but at the same time the Queensland government was given a letter of notice outlining plans to double the size of the project and its likely future power needs.

The additional capacity would be added progressively between 1985 and 1989 and would cost another A\$400m. The bulk of the doubled capacity is expected to be allocated to Comalco, which would hold the "majority interest" in the venture when it is fully expanded.

The smelter proposals will probably call for an expansion of the Gladstone alumina refinery, in which Comalco and Kaiser are shareholders, to meet the plant's requirements. The boost to the Gladstone smelter is the latest in a surge of new aluminium projects which could cost close to A\$3bn and boost annual Australian output from 270,000 tonnes of metal to about 1.5m tonnes by the late 1990s.

Alcohol VW for Brazil

BY RIK TURNER IN SAO PAULO

HERR WOLFGANG Sauer, president of Volkswagen do Brasil, announced that the company will start the production in series of the new alcohol-driven Passat in the first week of September.

Certain differences between the new engine and VW's traditional petrol engines have been introduced due to the highly corrosive nature of alcohol.

The new engine will have more resistant materials in the fuel system, and the new fuel's higher combustion temperature (78 degs. C. as against the 30-40 degs. C.) required by petrol necessitated a special mechanism for cold starts.

Herr Sauer explained that, until there is sufficient alcohol and the necessary infrastructure

for its distribution, the alcohol-powered cars will be produced exclusively for Government departments.

Siemens, the West German electrical group, has confirmed that it has received a contract for around \$250m to deliver telephone equipment to the Philippine Long Distance Telephone Company (PLDT).

The contract calls for Siemens to upgrade the Philippine telephone network with new equipment, including its EWS electronic dialing systems.

Danes to build Alaskan yard

By Hilary Barnes in Copenhagen

DANISH SHIPBUILDERS, Burmeister and Wain, expects shortly to conclude a contract to build a 100m turnkey shipyard at Seward, Alaska, which will be used for the construction and repair of fishing vessels.

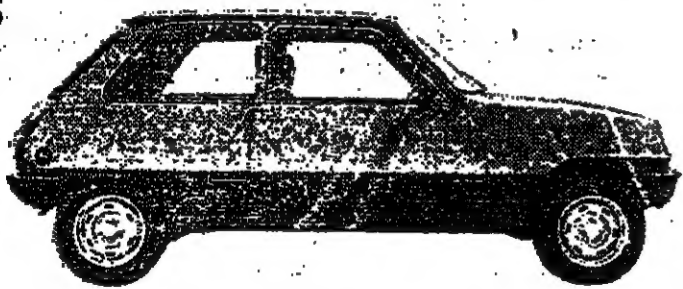
The yard will be constructed on new principles. The vessel will move forward according to the conveyor belt principle instead of remaining stationary in a dock—thus the construction of Britain's export ships, which are one of the major costs in a conventional shipyard.

The Seward yard will also provide Alaska fishermen with a repair yard for the first time. At present they have to sail to Seattle or Californian ports for major repairs.

HOW TO MAKE A SHEIK SHAKE.

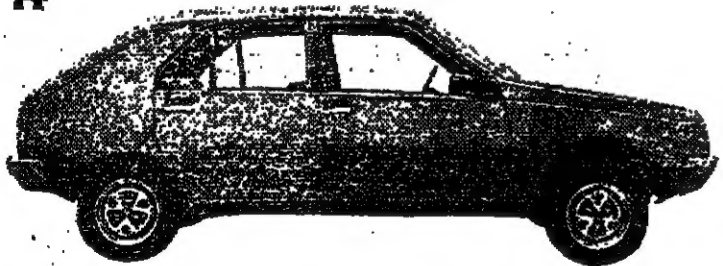
| | IMPERIAL MPG | | | METRIC L/100 KM | | |
|----------------------|--------------|--------|--------|-----------------|--------|--------|
| | URBAN | 55 MPH | 75 MPH | URBAN | 55 MPH | 75 MPH |
| RENAULT 5 GTL | 34.5 | 51.1 | 38.9 | 8.2 | 5.5 | 7.3 |
| FORD Fiesta 1.1 (HC) | 32.1 | 47.1 | 33.6 | 8.8 | 6.0 | 8.4 |

5



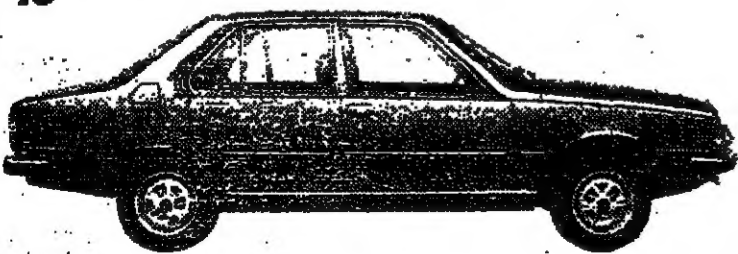
| | IMPERIAL MPG | | | METRIC L/100 KM | | |
|-------------------------|--------------|--------|--------|-----------------|--------|--------|
| | URBAN | 55 MPH | 75 MPH | URBAN | 55 MPH | 75 MPH |
| RENAULT 14 GTL | 31.0 | 44.1 | 31.7 | 9.1 | 6.4 | 8.9 |
| FORD ESCORT 1300cc (HC) | 31.0 | 43.5 | 33.2 | 9.1 | 6.5 | 8.5 |

14



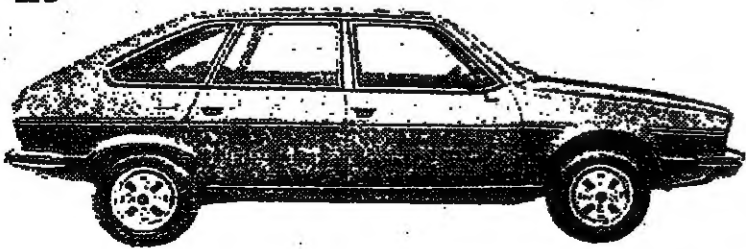
| | IMPERIAL MPG | | | METRIC L/100 KM | | |
|--------------------------|--------------|--------|--------|-----------------|--------|--------|
| | URBAN | 55 MPH | 75 MPH | URBAN | 55 MPH | 75 MPH |
| RENAULT 18 GTS (5 sp) | 28.5 | 46.3 | 34.5 | 9.9 | 6.1 | 8.2 |
| FORD CORTINA 1600 (ECON) | 26.4 | 37.7 | 29.4 | 10.7 | 7.5 | 9.6 |

18



| | IMPERIAL MPG | | | METRIC L/100 KM | | |
|------------------|--------------|--------|--------|-----------------|--------|--------|
| | URBAN | 55 MPH | 75 MPH | URBAN | 55 MPH | 75 MPH |
| RENAULT 20 TS | 22.8 | 36.7 | 28.5 | 12.4 | 7.7 | 9.9 |
| FORD GRANADA 2.0 | 21.6 | 34.5 | 26.4 | 13.1 | 8.2 | 10.7 |

20



| | IMPERIAL MPG | | | METRIC L/100 KM | | |
|-------------------------|--------------|--------|--------|-----------------|--------|--------|
| | URBAN | 55 MPH | 75 MPH | URBAN | 55 MPH | 75 MPH |
| RENAULT 30 TX AUTO | 18.5 | 31.7 | 24.4 | 15.9 | 8.9 | 11.6 |
| FORD GRANADA 2.8 (AUTO) | 18.6 | 29.1 | 23.9 | 15.9 | 9.7 | 11.8 |

30



If the members of the oil producing countries hoped to get rich by putting petrol prices up, to over £1 a gallon, they'll be furious when they see the official government mileage figures.

In fact they'll be shaking with rage. Because instead of guzzling petrol in great gulps the Renault range are merely sipping it.

Just look at the figures compared to those of our biggest rival.

They mean that everyone buying a Renault is going to be saving petrol and money.

And that probably wasn't what the Sheiks had in mind.

Still, maybe that is why Renault sales usually go up with the price of petrol.

SAVE PETROL AT YOUR RENAULT DEALER.

UK NEWS

Prestel trial to test market

AN INTERNATIONAL trial of Prestel, the Post Office's view-data system, is to be held to test the potential market among foreign businessmen.

Businessmen in seven countries will be able to take part when the trial begins later this year. They will have access through television sets to the Prestel computer information banks.

The Post Office claims the Prestel system has already put Britain ahead of any other country in the mass marketing of electronic information since the first public system started in London last March.

Mr. Peter Benton, managing director of Post Office telecommunications, said yesterday: "We are not yet certain that a full Prestel international service would be a viable proposition, but there has been sufficient interest in the prospect to justify launching a market trial."

"It will give us practical experience in resolving the many technical, social, and legal problems associated with moving Prestel from the national to the international arena."

Evaluation

The trial will be open to selected users in Australia, West Germany, Holland, Sweden, Switzerland, and the U.S. as well as Britain.

A six-month evaluation of the potential market for an international service has been carried out for the Post Office. Logica, which handled the survey, has now been commissioned to help with the trial which is expected to last for a year.

During the trial, a decision will be made on whether or not to start a permanent international service. It would require an international multi-lingual databank.

Discussions are also being sought by the Post Office with the telecommunications authorities of the other countries selected for the trial.

The centenary of Britain's first telephone exchange was marked yesterday when Mr. Ken Ford, director of London Post Office telecommunications, unveiled a plaque on the site of the Coleman Street exchange which is occupied by a bank.

Plutonium deaths claims investigated

FINANCIAL TIMES REPORTER

THE DEFENCE MINISTRY is considering claims by the families of two men who died recently after years of work at the Aldermaston nuclear weapons research plant, where uranium and plutonium are handled to maintain the UK's nuclear deterrent.

These are among more than 50 claims on behalf of people allegedly exposed to plutonium at Aldermaston. Last year cases of inhaled plutonium which, in sufficient quantities, can cause lung cancer and leukaemia, were discovered.

The families of the dead men believe that they died of cancer caused by plutonium absorbed into their bodies. Mr. Ken Cummins, 49, died on August 10.

and Mr. Bert Newman, of Tilehurst, Reading, on August 16. The Defence Ministry yesterday declined to speculate on the causes of the two men's deaths, noting simply that the families had alleged some degree of over-exposure to radiation.

Inquest

Mr. Bob King, chairman of the joint shop stewards' committee at Aldermaston, said that many people died of cancer and not all deaths could be attributed to radiation. "The experts will have to establish whether radiation was responsible in these two cases," he said.

An inquest into Mr. Cummins' death has been

adjourned for at least two months while parts of his body are examined at the atomic research centre, at Windscale, Cumbria. Last September, a test showed that the amount of plutonium in his lungs was three to four times more than the safety level.

Both men are said to have worked in the "active area" where uranium and plutonium are handled to maintain Britain's nuclear deterrent. Last year, part of the plant was closed following the publication of the Pochin report on health and safety at Aldermaston. It is being reopened in stages as the recommendations of the report are carried out.

Lothian council to finance first UK Chair of microelectronics

BY RAY PERMAN, SCOTTISH CORRESPONDENT

LOTHIAN Regional Council agreed yesterday to finance the establishment of the UK's first Chair of Microelectronics at Edinburgh University and to pay for a new initiative to help firms apply new technology to their own activities.

The scheme, to cost the council £70,000 a year for the next five years, will work through The Wolfson Microelectronics Industrial Institute, which although linked to the university raises most of its own funds through contracts consultancy and design work for private companies.

The move is an unusual one for a local authority and was

discussed extensively between the political parties and with trade unions and the Government.

It is intended to build on the strong base the region already has in microelectronics research and manufacturing and to help local firms in other industries—such as engineering, brewing, and printing—to improve their performance by using microprocessors.

The new Professor of microelectronics will be appointed by next April. In addition to teaching and research work, he will have the responsibility of furthering the links between the university, industry and

schools. A science specialist from the regional educational department is to be trained in microelectronic techniques.

The Wolfson Institute will use its share of the money to set up a new microprocessor development laboratory and recruit three additional engineering specialists and support staff.

Dr. David Milne, the Institute's director, said many businessmen knew of the advances in electronics technology through Government sponsored seminars, but were now wondering how they could apply microprocessors in their own companies.

Enterprise zone plans studied

WHITEHALL IS pushing ahead with plans to create selected industrial "enterprise zones." Interdepartmental committees have been set up to investigate the idea, which was floated last summer by Sir Geoffrey Howe when he was Shadow Chancellor.

The zones would offer the

minimum of red tape on planning, safety and pollution and possible exemption from some taxes, such as rates and corporation tax.

They would be established in depressed industrial areas such as Merseyside, Glasgow and the London dockland, with the aim of attracting entrepreneurs.

Whitehall officials say no decision has yet been taken on

whether the zones will go ahead. Legislation is unlikely to be introduced before the end of next year.

However, three or four Treasury officials are studying the possibilities. More work is under way in the Department's of Employment, Industry, Environment, the Inland Revenue and the Central Policy Review Staff.

Serious security loopholes exposed

BY ROGER BOYES

IF THE IRA could slip through the regular plainclothes guard around Lord Mountbatten, how will the police be able to guarantee the safety of the Pope when he visits the village of Knock in County Mayo later this month? This was the question being asked yesterday by shocked residents of Mullaghmore and by politicians.

The blue-shirted Garda police were out in force in the village yesterday, diligently steering well-wishers, sightseers and journalists away from the scene of Lord Mountbatten's murder. But the heavy police presence could do little to disguise the fact that the IRA had exposed serious loopholes in the security hijacked around the Queen's cousin.

Lord Mountbatten led a very relaxed existence during his annual holidays in Mullaghmore. He was keen to establish contact with locals and was often impatient with the supporting police protection.

This created considerable problems for the Garda and opened up weak spots in the police vigilance. Thus the Garda, which regularly searched the old boat for bombs, evidently missed the explosive. "He was," said a resident "an easy target for any terrorist. He just didn't think about it."

The wider problem is that of Ireland's anti-terrorist laws. Are they tight enough to deter terrorist sorties from Northern Ireland? The murder in 1976 of Mr. Christopher Ewart-Biggs, the British Ambassador, led to a tightening of security laws including increased penalties for terrorist offences and wider powers for the army and police in interrogation.

But there may well be pressure now to extend police powers to detain a suspect for questioning from two to seven days.

The incident looks set to deal a serious blow to Ireland's £400m tourist industry. Half of Ireland's tourists came from the mainland with a large section from Northern Ireland. Hotel keepers and police report that many tourists broke off their holidays in Mullaghmore on Monday night after they heard of the murder.

Mr. John Taylor, an Ulster Unionist member of the European Parliament, said that the murder was a sign of anti-British feeling in the Republic. "In particular it is foolhardy for leading citizens of Britain to visit the South of Ireland," in spite of "Brits out" slogans daubed on walls and hewn in cliffs, locals are adamant that they are not particularly opposed to the British.

Many home buyers face long delays

By Michael Cassell

MANY potential house buyers are being told they must wait until February for the chance of a home loan, according to Bernard Thorpe, the estate agents.

A survey conducted by the agents during the past week reveals that the normal waiting period for a mortgage is between two and three months, although some of the largest societies in the country are advising applicants to "come back after Christmas."

The survey also shows that August has been a much quieter month than is usual at this time of year. More houses are coming on to the market but they are taking "very much longer to sell," according to Bernard Thorpe.

The agents also say that people wanting to "trade up" and buy a larger house are being disappointed, in spite of the fact that they feel they can afford it. One office of the company reported that half the potential buyers were being told they had "no chance" of a loan because building societies were classifying them as "non-essential" movers.

A spokesman for the agents said that many area offices reported a big increase in the number of enquiries on their books and said many house sales were "hanging fire." "Vendors who were thinking that prices would just keep on going up and up now realise that, for the time being at least, prices are not going to rise very much more," he added.

Closure blamed on recession

A HULL engineering company, Charles D. Holmes, which employs 200 men, is to close over the next three months unless a buyer is found. The company blames the general recession in the engineering industry. Holmes was founded in 1889 and had a worldwide reputation as marine engineers. It built steam and diesel engines for Humber trawlers and tugs.

IRA killings may persuade U.S. to sell guns to RUC

BY DAVID BUCHAN IN WASHINGTON

THE FRESH surge in IRA violence could persuade the Carter Administration to resume sales of guns and ammunition to the Royal Ulster Constabulary.

State Department officials commented privately yesterday that the Mountbatten killings would probably speed Washington's Northern Ireland policy review and lead to an early resumption of sales.

Bowing to Congressional pressure, the Administration announced a suspension of any sales to the RUC while it reviewed its policy towards the Ulster problem, including the human rights situation there.

The argument of leading Congressmen, including House Speaker Mr. Thomas O'Neill, has been that such sales to the Ulster police by the Administration undermine their condemnation of the flow of guns and money from the U.S. to the IRA.

—though this has declined in recent years.

Mr. O'Neill yesterday called the murder of Earl Mountbatten of Burma "a reprehensible act." He said in a statement: "We Irish-Americans must reject those who seek to unite Ireland through the use of violence and renew our commitment to achieving a peaceful resolution of the problems of Northern Ireland."

American newspapers yesterday gave banner headlines to the killing of Lord Mountbatten and 18 British soldiers in Ulster on Monday. President Carter said he was "shocked and saddened" by the news.

The New York Times carried a full-page obituary of Lord Mountbatten yesterday while other newspapers printed pictures of him with Second World War luminaries such as Gen. George Patton. This served to remind Americans of his role in the war.

were needed, that the Ulster civil war is no nearer resolution after 10 years of killing.

In fact, leading Irish-American politicians have recently stepped up their public expressions of concern about the lack of progress towards a political settlement in Ulster.

The Washington Post commented in an editorial yesterday: "Britain has showed a degree of resentment at the unrequested advice that it has recently been getting from American politicians."

"But it is necessary to say that this transatlantic nudging springs from a deep anxiety in this country that the British Government has abandoned all political initiatives as equally hopeless."

It seems to have decided firmly to leave the Army to do what it can in Ulster, while the rest of Britain gets on to more rewarding things.



Security forces search debris of a wrecked ferry after explosion, which killed 18 soldiers, at Warrenpoint, County Down, on Monday

Tragic murder says the Pope

BY LISA WOOD

THE POPE sent a message yesterday to the Queen denouncing the killing of Lord Mountbatten as a "tragic murder" and "an act of shocking violence."

Tributes and condolences have poured into London since Lord Mountbatten died on Sunday in one of two attacks by members of the Provisional IRA. The death toll for the two incidents, one on an Army patrol in Northern Ireland, had risen to 23 last night.

The Pope said: "I offer to Your Majesty my sincere condolence on the tragic death of Lord Mountbatten, a courageous man whose death causes great suffering to the Royal Family and to all the nation."

"This act of shocking violence is an insult to human dignity, and I firmly condemn it, together with the other acts of violence yesterday that caused death and brought suffering to many families."

The news of Lord Mountbatten's death provoked a swift response in Burma. The Burmese Government declared three days of national mourning and ordered flags to be flown at half-mast on all Government offices and public buildings.

After Burma gained independence from Britain in 1948, she awarded Earl Mountbatten her highest civilian decoration of "Upholder of Honour and Justice."

In India the country began a week's official mourning.

At the Uttar Pradesh State Assembly in northern India Mr. Banarasi Das, Leader of the House, said it was Lord Mountbatten's great quality of statesmanship that enabled the trans-

fer of power from Britain in 1947 to be achieved "in a cordial atmosphere."

Mr. Lee Kuan Yew, Prime Minister of Singapore, said he mourned because the Earl had "marked it by any language dead, died in such a senseless way."

In a message to Lady Pamela Hicks, Lord Mountbatten's daughter, he said he first saw Lord Mountbatten when, as Supreme Commander Allied Forces in South-East Asia he took the surrender of the Japanese in Singapore in September 1945.

"I grieve more that younger people should also have died, and that others should have been badly injured, all because terrorists sought the headlines through your father's justly famous name," said Mr. Lee.

Mr. Malcolm Fraser, Australian Prime Minister, said the killing was "a violent and callous act of terrorism."

Mr. Robert Muldoon, Prime Minister of New Zealand, said his countrymen deplored the "senseless and shocking death of a man who at no time mourned because the Earl had marked it by any language dead, died in such a senseless way."

Other messages, from the United States, included tributes from Canada, Zimbabwe, Rhodesia and Kenya. Condolences from the Commonwealth included messages from Mr. Roy Jenkins, President of the European Commission; the United Nations Human Rights Sub-commission; King Baudouin of Belgium; and President Giscard d'Estaing of France.

The Soviet news agency Tass reported the death of the Earl in an explosion but made no mention of responsibility for the murder being claimed by the Provisional IRA. China's official news agency reported the murder without comment.

Haringey parkland walk approved

PLANS FOR a parkland walk along a disused railway line in North London have been endorsed by Mr. Michael Heseltine, Environment Secretary. He has turned down plans for housing development along the line.

An inquiry was held in July last year into proposals by Haringey Council to redevelop a mile and a half of the former Pinner Park to Highgate railway line and adjacent land.

The inquiry inspector recommended that permission should be granted for the change of use of railway land to open space and for housing development on land in Stanhope Road; and that permission should be refused for other housing development proposals.

£25,000 for Essex company

PATEY DOYLE (Publishing) of Essex has received £25,000 back from the Post Office.

The money was refunded for breaching its business with the Post Office over the last year.

First Union General Investment Trust Limited

(Incorporated in the Republic of South Africa)

A MEMBER OF THE LIBERTY LIFE GROUP

RIGHTS OFFER

Further to the announcement dated 2 August 1979, Guardian Liberty Investment Corporation Limited is authorised to announce that the rights offer by First Union of 12 420 000 new ordinary shares, which will rank pari passu with the existing ordinary shares, will be on the basis of:

1 new ordinary share of 25 cents at 120 cents for every 5 ordinary shares held. The offer will be made to all ordinary shareholders registered at the close of business on 31 August 1979 ("the record date").

The Johannesburg Stock Exchange has granted listings as follows:—
12 420 000 renounceable letters of allocation (nil paid)
12 420 000 new ordinary shares

The Stock Exchange, London, has granted listings as follows:—
12 420 000 nil paid shares
12 420 000 new fully paid ordinary shares

Other salient dates of the rights offer are:—
OFFER OPENS
Last day for splitting letters of allocation
—London
—Johannesburg
OFFER CLOSES
—London 15h30
—Johannesburg 15h30

Announcement of results of rights offer
Share certificates mailed to members
A circular setting out full details of the rights offer, together with the letter of allocation (nil paid) will be posted to eligible shareholders on 7 September 1979.

Johannesburg
29 August 1979.

World Business Weekly

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BBC licence fee decision passed to Home Office

BY PETER O'CONNELL

THE BBC is to leave it to the Government to decide the outcome of its television programming over the next 10 years.

Mr. Alisdair Milne, managing director of BBC TV, which has a £34m overdraft, said yesterday he no longer intends to specify to the Home Office the size of licence fees the BBC needs to fund its broadcasts from 1980-1991 onwards.

"We have put forward a 10-year plan with a whole range of developments including the evening, developing BBC 2 in the afternoon and both BBC channels later at night," he said.

"We have not asked the Home Office for a specific licence fee increase, but given it the 10-year rolling programme, with estimated costs, and left it to the Home Office to decide what shall be shown on TV within the budget.

"I am asking the Home Office for the first time in the annual negotiations over the BBC's income. Do you agree with us about what we want to do? If it agrees that the plans are sensible, the licence fee should follow to bring them about."

The plan, submitted by the BBC, is to have another 250 programme-hours on top of the 6,500 broadcast in 1979-80.

The new tactic is similar to that mounted by the BBC External Services which has left it to the Foreign Office, responsible for funding the World Service from taxation, to choose what services are to be cut.

Mr. Milne, who has to complete negotiations by November, also suggested that licence fees be paid monthly. Monthly stamps, bought at post offices as a contribution towards the annual fee, are used by 4m people.

Explaining why the BBC had not taken advantage of ITV being off the air, Mr. Milne said: "We have been beaten about the head for not changing our summer schedule. But no one had any idea that the strike would go on this long."

"The key is that we don't have the production in depth we had 10 years ago, and if we had brought shows forward we would have been in trouble in the spring."

The BBC also feared the reaction of broadcasting unions to any extra programmes which might invite the charge that the BBC was strike-breaking.

Conversation

The BBC's £12m package for autumn unveiled yesterday includes a six-week series featuring Mrs. Shirley Williams, Education Secretary in the last Labour Government, in conversation with other politicians.

Starting on September 27, she interviews Mr. James Callaghan, Lord Scallan, former engineering union leader, and Mr. Michael Manley, Prime Minister of Jamaica.

Another current affairs programme will be Question Time, television's version of Radio Four's Any Questions, with a studio audience and a panel of four. Robin Day will be in the chair.

Managers attack plan to cut tax perks

BY DAVID FREUD

THE GOVERNMENT'S proposal to review the present system of taxing company cars as fringe benefits was badly timed, the British Institute of Management said yesterday.

The Inland Revenue's recent consultative paper on taxing company cars and petrol had done much to dampen the enthusiasm and expectations raised by tax reductions in the Budget, the Institute said.

"The argument that reductions in income tax justify a reduction in untaxed benefits is particularly difficult to sustain at the middle and senior management level, where the narrowing of differentials in real purchasing power has been most severe," said the institute.

The Budget improvements in the take-home pay of managers were not a convincing enough argument in favour of singling out car benefit in the attack on less responsible fringe benefits.

"A piecemeal assault on the whole field of fringe benefits, most of which are already assessed and taxed, is inadvisable. Better understanding by management, the trade unions and government, leading to a comprehensive approach in line with the Government's tax reduction programme, would reduce the danger of creating still more anomalies in this very complex situation," the institute concluded.

Co-op Union claims to speak for consumers

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

THE CO-OPERATIVE UNION has made an attempt to be considered the voice of consumers in national affairs. The Union is the national co-ordinating body for the co-operative movement.

The union's claim to be regarded as an alternative voice to both the TUC and CBI in determining economic policy is made in the latest issue of its official journal.

The journal says the attention focused on the Union over the attempts to create a national co-operative trading organisation "is long overdue recognition of the Union's rightful position as 'The Third Man' in the economy."

Mr. Lloyd Wilkinson, the Union's general secretary, said yesterday that the Union believed that "the nation's economic affairs would be better arranged if the views of the Co-operative Union were sought in the same way as those of the CBI and TUC."

The Union spoke "for 10m consumers who are members of our federated societies and we represent an aspect of public ownership that offers a stimulating alternative to outright nationalisation."

But the Union's attempt to represent consumers in national economic debate will be hotly disputed by the National Consumer Council which has already publicly stated its claim to campaign on behalf of the consumer in economic matters, and last year published an economic manifesto detailing its views.

And the Union's claim to speak on behalf of consumers was weakened by the publication yesterday of statistics about the Co-op's retailing performance last year.

The figures, published by the Union, show that in spite of an increase in turnover of 12.2 per cent in 1978, the Co-op's share of retail sales declined from 7 per cent in 1977 to 6.8 per cent last year.

Mr. Garth Pratt, the Union's economic and research officer, admits that this decline in performance is "uncomfortable, because it is clearly our market share which demonstrates publicly our claims to be a major champion of the consumer, and is the credibility behind our social, educational and political aspirations."

A group within the SNP, known as the 79 Group, has been formed to support them. But its members are likely to face strong criticism from some delegates for endangering party unity.

The role of MPs is also likely to come under scrutiny, after a period of in-fighting between the executive and the Parliamentary group over policy-making. The conference opens in Dundee on September 13.

NEWS ANALYSIS - PETER RIDDELL STUDIES THE ROLE OF THE TREASURY'S ECONOMISTS

Howe looks outside Whitehall for new chief

THE SEARCH for a new chief economic adviser to the Chancellor has coincided with a wide-ranging reappraisal of the work of the Treasury's economists.

The determination of Sir Geoffrey Howe, the Chancellor, to give a new direction to the Treasury's economic work is highlighted by his decision to look outside Whitehall for a successor to Sir Fred Atkinson, who is due to retire as chief adviser and head of the Government Economic Service on his 60th birthday in December.

The broader review was triggered by the arrival of a new team of Ministers with very different ideas about economic policy-making from those generally accepted within the Treasury for the past 20 years.

But there has been dissatisfaction for some time with the present arrangement on the economic side. Indeed, one of the main candidates for the chief adviser's post—Professor Jim Ball of the London Business School—two years ago chaired an official committee which was critical of the Treasury's apparent failure to be open with outsiders.

The previous Labour Ministers believed that the economic side's work lacked coherence and

direction. In part this has reflected intellectual divisions about how the economy works within the British economics profession which are much more marked in the UK than elsewhere in Europe, if not in the U.S.

The Treasury is in no case monolithic but it has been regarded as one of the main strongholds of neo-Keynesian views about managing the level of demand in the economy.

Consequently the Treasury has appeared sometimes on the defensive in face of the resurgence of monetarism with its rejection of the fine-tuning of demand and emphasis instead on the medium-term control of the money supply. But monetarist influences have recently become more influential within the department.

All these points are not a criticism of the economists themselves, who are mostly thought to be of high quality. About 60 are employed throughout the Treasury out of 400 in the Government Economic Service as a whole.

The current review is concentrating on the work of the forecasters. The specialist economists spend a lot of time on policy analysis and the medium-term assessment but—in the words of Professor Ball's

committee—the work of the chief adviser's sector revolves around the macro-economic model.

There are now three forecasting rounds a year, each involving a fairly rigid six-week timetable. The resulting projections are traditionally treated as of major significance in reaching Budget and other decisions.

The Treasury's forecasting record is quite good, at least by comparison with most outsiders. However, it has been increasingly argued that the Treasury's model is too big and complicated for any one person to understand and be able to present clearly.

For instance, there are 583 equations in the Treasury's computerised model compared with 284 in the London Business School's version and 194 in that of the U.S. Federal Reserve Board.

Consequently, there is some hankering for the days—little more than a decade ago—when all the calculations were done almost on the back of an envelope.

The classic defence of forecasting was given by Sir David War, the Permanent Secretary of the Treasury, in his John Jay Society lecture of February, 1978. He argued: "One will

soon find that a suggested alternative approach to policy simply means, in effect, deriving implicit forecasts by less careful and less checkable methods."

"The existence of errors should be a spur to more research and to attempts to understand better the working of the economy rather than a justification for abandoning forecasting."

The critics have argued that the forecasting side should be streamlined down with fewer people who know more about what is happening. An additional, though subsidiary, reason for the review is the search for economies in order to keep costs within cash limits.

It has been pointed out, for example, that two years ago operation and research on the Treasury's forecasting model involved 20 people and total cost of £500,000 a year.

This compared with £360,000 total spent on this work by the National Institute of Economic and Social Research and the London Business School.

A key influence is the general scepticism of the Tory Ministers about the style of interventionist economic management dependent on such forecasts. In his June Budget speech the Chancellor went out of his way to question the reliability



Sir Fred Atkinson: Retires in December.

of the "conventional forecasting arithmetic" and the associated language of "neo-Keynesian economists."

The desire to redirect the priorities of the Treasury's economists has been reflected in the discussions over the choice of chief adviser. The shortage of suitable internal candidates was highlighted in

1978-79 when Sir Bryan Hopkin worked on a part-time basis as chief adviser before Sir Fred was eventually appointed.

In considering outside candidates, the Chancellor is apparently determined to find someone who will be respected by the existing staff.

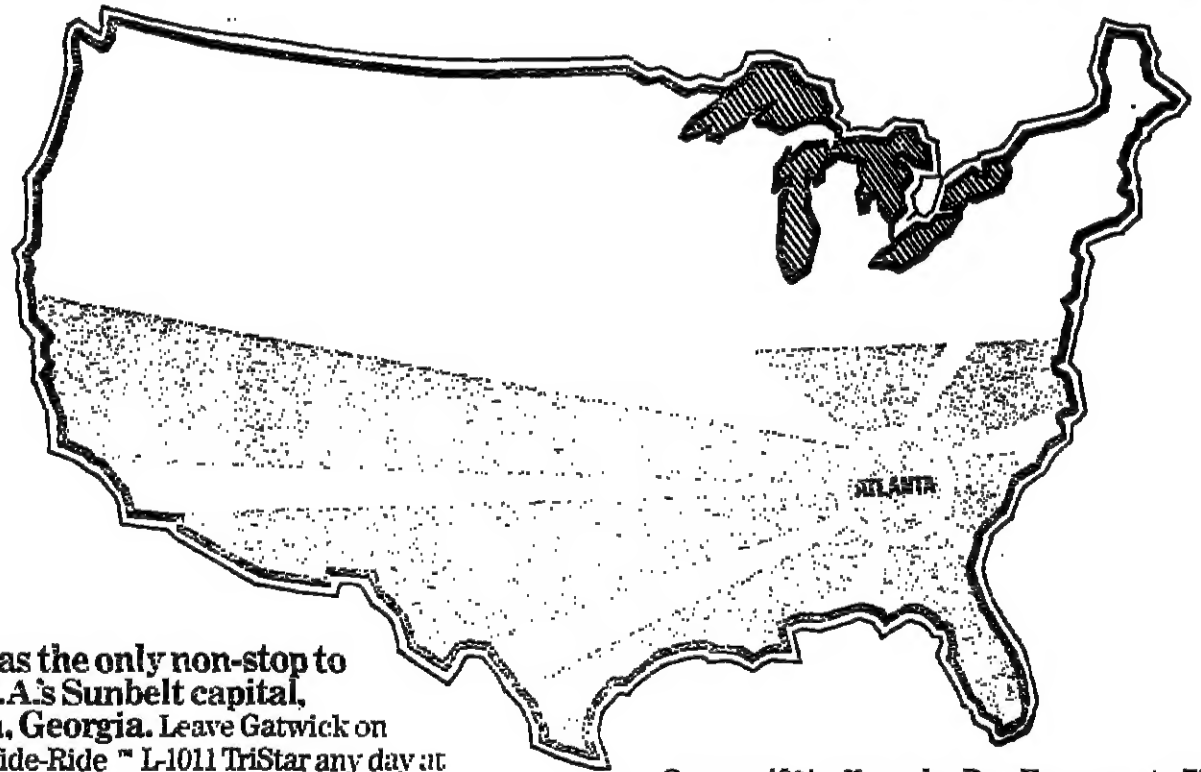
The first choice of a number of top Treasury officials is apparently Professor Ball, who is principal of the London Business School and was closely involved in the early work on forecasting in the UK.

The other serious possibilities are Professor Terry Burns, head of the Business School's Centre for Economic Forecasting, and Mr. John Flemming of Nuffield College, Oxford.

Some officials have apparently argued that these two, who are in their late 30s, are too young for a post they could theoretically fill for 20 years. This view is rejected by others involved in the discussions since a new chief adviser could be offered a contract for, say, five years.

A decision is likely to be made by the end of October and the appointment will be taken, both inside Whitehall and in the economics world generally, as an important indicator of how the Tory Ministers want the Treasury's economic side to develop.

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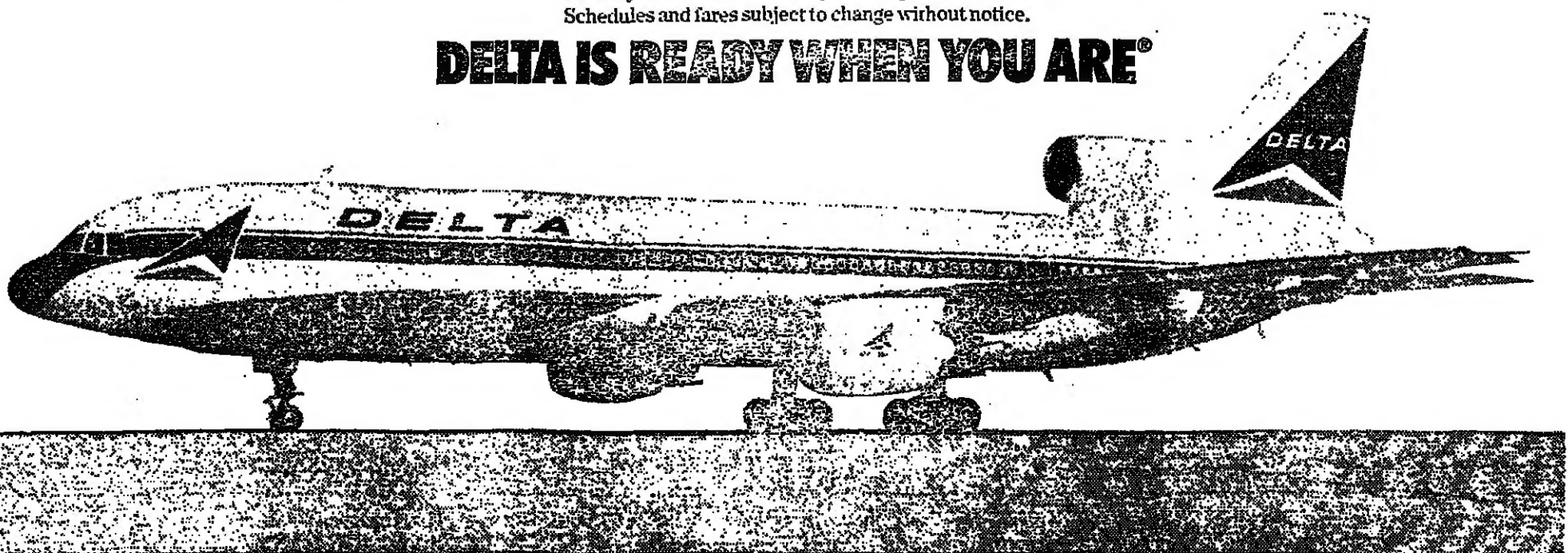
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SNP conference 'must examine party's role'

BY RAY PERMAN, SCOTTISH CORRESPONDENT

THE 45TH ANNUAL conference of the Scottish National Party next month will have to carry out a thorough examination of the organisation and role of the party, Mr. William Wolfe, the retiring chairman, said yesterday.

The conference was to have taken place in April, but had to be postponed because of the General Election.

Nine of the party's 11 MPs lost their seats, and since then opinion polls have shown support falling to 12 per cent, compared with 29 per cent for the Conservatives and 47 per cent for Labour.

Membership and income from subscriptions have also dropped, and several head office staff have had to be made redundant. A number of influential members of the party believe that

the party should take a more radical stand on economic and political issues in order to appeal to the mass of Scottish urban voters, who continue to support the Labour Party.

They include Mr. Stephen Maxwell, who is a candidate for the chairmanship, and Mrs. Margo MacDonald, who is standing for re-election as senior vice-chairman.

A group within the SNP, known as the 79 Group, has been formed to support them. But its members are likely to face strong criticism from some delegates for endangering party unity.

The role of MPs is also likely to come under scrutiny, after a period of in-fighting between the executive and the Parliamentary group over policy-making. The conference opens in Dundee on September 13.

Bacon factory takeover imminent

BY CHRISTOPHER PARKES

A CONSORTIUM of Aberdeen-shire farmers expects to complete its takeover of the Lawson bacon factory in Dyce "within the next fortnight," Mr. Douglas Gargill, the farmers' leader, said. They have raised almost half the £2.5m asking price and are awaiting a Scottish Development Agency pledge to cover the balance with public money. More than 200 local farmers last week agreed the ground rules for establishing a co-operative to act as the factory's procurement agency. They will contribute £500,000 of the necessary funds. North Eastern Farmers, a well-established co-op, had already promised £500,000 and Mr. George Morley, the recently suspended director of FMC, Britain's biggest bacon curer, has offered £100,000 of his own money.

Conflict

Mr. Morley, managing director-elect of the takeover company, was suspended from FMC's board to prevent "conflict of interest." Mr. Gargill said the Scottish Development Agency had to satisfy itself that the factory could be run as a commercial proposition. He attributed delays to bureaucratic bottlenecks. "There is nothing in any of the reports to show that we are not commercially viable," he said. The farmers' rescue attempt began in May when the factory's owner, Unilever, announced it was to close its pig killing and bacon curing lines. The closure would mean the end of pig farming in the area, farmers claimed. Unilever, informed of the rescue bid, extended its shut-down deadline from August to November.

New NCB offer on pit closures

FINANCIAL TIMES REPORTER

THE NATIONAL COAL BOARD is to seek a pit closures agreement with South Wales Miners' leaders in exchange for the go-ahead on a £142m investment in a new pit at Margam, near Port Talbot.

Mr. Phillip Weekes, the board's South Wales director, confirmed over the weekend that he hopes to gain Government approval by the end of the year for the new colliery. It would be capable of producing 1m tonnes a year of high quality coking coal suitable for feeding the nearby Port Talbot steel-works.

But the final go-ahead would depend upon the miners' union's formal agreement to a policy on pit closures.

The agreement the board has in mind is aimed at avoiding

the kind of confrontation with the miners over the planned closure of deep Duffryn Colliery in Mid-Glamorgan earlier this year.

Implacable opposition from the NUM, which argued its reserves were not exhausted, and the threat of industrial action eventually led the NCB to agree to a conditional reprieve, but it still believes the colliery's productive life is over.

By all accounts, the board does not plan to tie the fate of specific pits to the go-ahead for the Margam colliery. But it will be seeking a written undertaking of flexibility over the closure of uneconomic pits, not least in order to release experienced miners for the Margam venture.

Decca wins £3m navigation contract

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE DECCA Navigator Company has won a £3m contract from the Ministry of Defence to supply Instrument Landing Systems (ILS) for RAF airfields in the UK, West Germany and Cyprus.

These electronic systems are widely used in civil and military aviation to help aircraft down on to runways in bad weather. The ILS to be supplied to the RAF will be of the latest standards, in which aircraft will be able to descend to only 50 ft above the ground before sighting the runway.

The Decca system is based on a design by Wilcox Electric (USA), which is widely used in North America and elsewhere. The RAF order is for the supply of 31 systems, with an option on another 11. They will be installed at 25 RAF airfields in the UK, five in West Germany and one in Cyprus, over the next four years.

As well as supplying the RAF, Decca is now also actively seeking civil orders for the new ILS.

It has a contract to equip Exeter airport, and hopes for further civil contracts soon, now that the product has been given a military order.

The Decca ILS is expected to remain in service until about 1995, when it is expected that a new type of landing aid, the Microwave Landing System, will be introduced world-wide.

SALES of computer and communications services by British Airways reached a record level of £2.4m in the year to last March 31, 60 per cent more than the previous year. A further rise in the current financial year is forecast.

There are now 68 users of BA's computer expertise world-wide, including 53 airlines and organisations such as American Express, Cunard, and Trust Houses Forte.

Yard acts on alleged telex swindles

SUSPECTED LARGE-SCALE swindles on the Nigerian Government by means of a telex fraud are being investigated by Scotland Yard.

Commercial squad officers are in contact with several banks in the City and West End to find if they have been involved. The Nigerians are reported to have stopped some telex messages from London until the problem has been cleared up.

The people involved are thought to have made contact with a telex clearing centre in Lagos through which official orders for bank payments in London can be processed.

By illicitly intercepting bogus telex instructions, they managed to get funds diverted from their intended destinations to their own bank accounts. They used the names of dummy companies which had been set up for this purpose and are thought to have escaped with between £10m and £15m before the fraud was discovered.

But the full extent of the scheme may be much larger. It may be linked with the shipping "bills of lading" frauds which have netted £50m in the past two or three years.

The scheme came to light after some UK trading firms with Nigerian contacts found their bills had not been paid.

No one suspected anything was wrong as Nigerian currency restrictions can mean delays of several months before some bills are settled.

But the problem now facing Scotland Yard is whether the swindle is confined to London or whether it has been perpetrated in other business centres.

Berni Inns in hamburger link

Financial Times Reporter

BERNI INNS, the steak house chain, said yesterday that its new partner in a fast food enterprise announced last week will be the American hamburger chain Wendy's International.

The first restaurant in the £1m venture will open in London in the spring.

Mr. Dick Turpin, managing director (trading) of Berni Inns, a subsidiary of Grand Metropolitan, said that the operation would not affect development of the steak house business.

Wendy's, third largest "fast food" chain in the world, has 1,690 hamburger restaurants in the U.S., Canada and Puerto Rico. Sales for 1979 were \$783.4m.

Berni Inns has about 280 branches in the UK with annual sales of about £100m.

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OTHER MEN'S JOBS: FISH BREEDER

Sam Holland's char and chips

BY JAMES FRENCH



SAM HOLLAND is a fish farmer with a difference—he sells more fish eggs than fish. And 80 per cent of his sales are abroad.

Sam, a tall man in his mid-50s who talks with a Hampshire burr, far softer than John Ariotti's, got into fish-breeding almost by accident, 10 years ago. An aerospace designer who had worked for Vickers Supermarine and Boeing, among others, he saw that the industry was "backpedalling" and the situation was not too healthy. It was all a bit of a rat race, so I decided to get out.

He plumped for what many would call an idyllic life—letting rods to anglers at Avington, beautiful, sleepy, thatched-cottage village on the River Itchen in the sheep lands of Hampshire. But he found buying fish to replenish stocks on his waters too expensive, and decided to breed his own.

His business, Avington Trout Fishery, grew side-by-side with the still-expanding world business of fish farming, which seeks to produce new sources of food.

"Think of the advantages compared with deep-sea fishing," argues Sam Holland. "No major investment in ships and nets, no lives at risk, no battling against the elements, no competition at sea against other nationalities."

"The seas of the world are being fished out. The stock of everything, from whales down to anchovies, is fast diminishing. Farm fishing can solve many problems."

Mr. Holland is exporting about 30m fish eggs a year. They are crossbreeds of trout and other fish, including salmon, and are sexless, incapable of reproducing. Hence the continuing need for eggs.

"Trout crossbreeds can be made to taste any way you want them," he explains. "We can regulate the taste, texture, and colour. We can even simulate caviar by producing henfish whose eggs are the same size and of similar flavour, but we

do not know if it would be commercially viable."

Mr. Holland's main customers lie in the U.S., Kenya, Italy and Spain, where fish farming is growing fast. He is negotiating a 3m egg deal with Sweden. He has travelled the world to sell his expertise—and to acquire interests in local farms so that he can supply eggs year-round. This is because, although the breeding cycles of fish are seasonal, by delaying the hatching time of eggs he has virtually doubled the natural breeding period of 26 days.

His headquarters is no longer at Avington. Last year he switched to Winterborne Houghton in Dorset in anticipation of EEC and U.S. health regulations. The Winterborne Houghton establishment is based on artesian well water and not, like Avington, on river water. Thus it is insulated from indigenous fish, and the risk of transmitted disease.

When Mr. Holland made the move he expected the business to advance to its full potential in about three years, based on a 25 per cent annual rate of output increase. But already it is operating at capacity and he has acquired two new artesian-based establishments in Dorset, at Iwerne Minster and Donhead St. Andrews.

After designing a system of

concrete breeding ponds for Winterborne Houghton, with gravel bottoms, he is installing ponds with concrete bases at the new locations—"far easier for cleaning," he explains.

Disease control is all important, since disease could wipe out a farm's entire stock at a stroke, killing hundreds of thousands of fish. All Holland's eggs are certified disease-free. Britain leads the world in fish health.

The eggs are expected from Heathrow and Gatwick in polystyrene containers with sufficient ice to keep them cool for the journey. A difference of a mere one degree Fahrenheit can delay hatching by two days.

"We have not had one failure yet though we did have one touch-and-go episode. A consignment to Kenya was taken on to Johannesburg in error. When they were returned it was the weekend, and there were no Customs services. When my client was able to collect it, it was at least three days overdue, and some of the eggs had hatched. But the bulk of the delivery was in good condition."

Before the eggs are packed they are graded and checked by a machine with an electronic eye that rejects all sub-standard produce: it deals with 100,000 eggs an hour.

Avington Trout Fishery

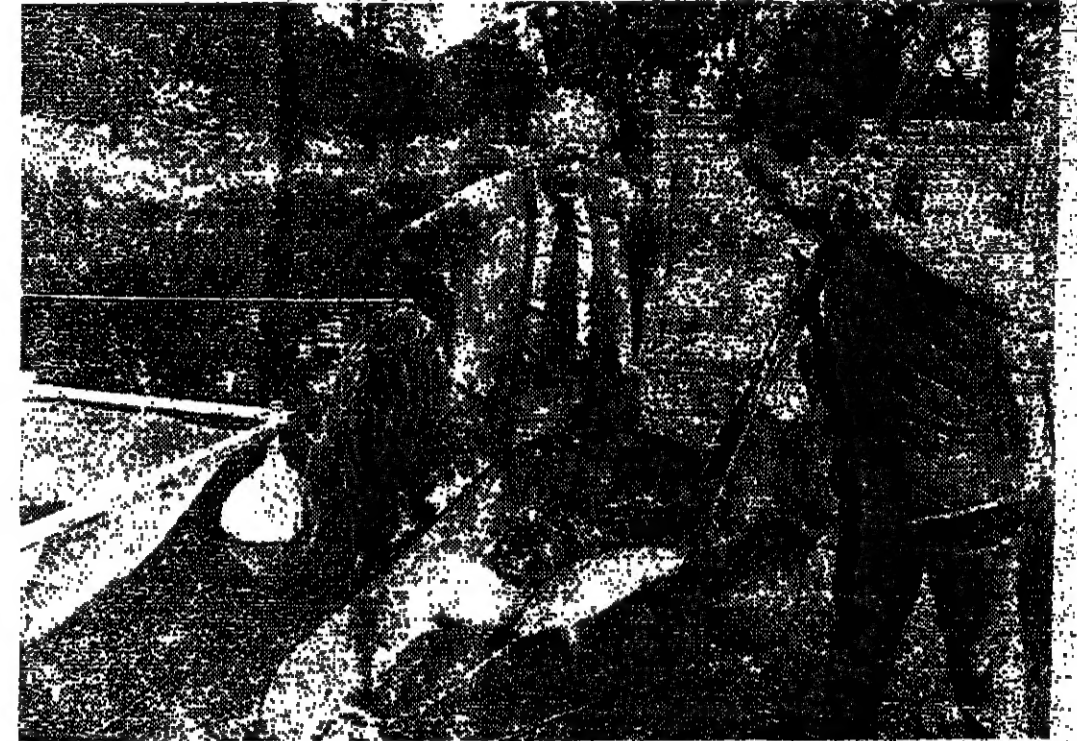
home business also includes fry—as in small fry—the first, faint stage after hatching, and the next stage, which are called fingerlings, and weigh 100 g to the pound.

"The great thing about the trout is that it is one of the finest converters of food. By selective breeding we can manage to produce one kilogram of fish from 1.35 kg of food—this is almost twice the general conversion rate. The fish can exist on otherwise worthless protein—fish leftovers, corned grass, and straw, and petroleum by-products. We are creating food for the world from waste materials."

Holland devised a new cross-breed strain. He named it cheetah—the inspiration came while big-game hunting on a break in a business trip to Kenya. Later he began to have doubts about whether people would really take to eating a fish named after a jungle animal, so now it calls it rainbow char.

Bred to reach weights between 8 lb and 12 lb, it can be sold as cutlets, frozen, packaged or in this char and chips could well replace the traditional fried chicken, hamburgers, and kebabs.

Tomorrow: The business



Mr. Sam Holland (left) of Avington Fish Farms, examines some brown trout with Mr. Roy Ward, his manager.

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INTERIM REPORT AND INTERIM DIVIDEND ON THE ORDINARY SHARES

The following are the estimated results of the company for the six months ending September 30, 1979, together with the figures for the six months ended September 30, 1978 and the year ended March 31, 1979. These should be read in conjunction with the notes below:

| | Six months ending 30.9.79 | Six months ended 30.9.78 | Year ended 31.3.79 |
|--|---------------------------|--------------------------|--------------------|
| Investment income | R000's 24 323 | R000's 24 979 | R000's 80 095 |
| Interest earned | 264 | 279 | 633 |
| | 25 087 | 25 258 | 80 731 |
| Deduct: Administration expenses | 450 | 359 | 575 |
| PROFIT BEFORE TAXATION | 24 637 | 24 899 | 79 856 |
| Provision for taxation | 133 | 107 | 251 |
| PROFIT AFTER TAXATION | 24 504 | 24 792 | 79 605 |
| Preference dividend | 150 | 150 | 300 |
| EARNINGS ATTRIBUTABLE TO ORDINARY SHAREHOLDERS | 24 354 | 24 642 | 79 305 |
| Ordinary dividends | 23 000 | 23 000 | 75 000 |
| RETAINED PROFIT | 1 354 | 1 642 | 4 305 |
| Number of ordinary shares in issue | 10 000 000 | 10 000 000 | 10 000 000 |
| Earnings per share—cents | 243.5 | 246 | 793 |
| Dividend per share—cents | 230 | 230 | 750 |

Notes:

1. It should not be assumed that the results for the six months ending September 30, 1979 will necessarily be proportionate to the results for the year ending March 31, 1980 because investment incomes do not accrue evenly throughout the year.

2. Particulars of the company's listed investments are as follows:

| | 27.9.79* | 30.9.78 | 31.3.79 |
|--------------|----------------|----------------|----------------|
| Market value | R000's 525 225 | R000's 785 041 | R000's 805 112 |
| Book value | 46 411 | 46 411 | 46 411 |
| Appreciation | 778 914 | 718 630 | 758 701 |

*The last practical date before publication of these results.

Diamond sales

The company has substantial interests both in De Beers Consolidated Mines Limited and in the diamond trading companies. Sales by the Central Selling Organisation for the period January 1 to June 30, 1979 were R1 065.4 million compared with R1 063.5 million for the first six months of 1978 and R1 156.4 million during the second half of that year.

For and on behalf of the Board

H. F. Oppenheimer, Directors
J. Ogilvie Thompson

Interim dividend

Dividend No. 79 of 230 cents per ordinary share (1978: 230 cents), being an interim dividend for the year ending March 31, 1980, has been declared payable to shareholders registered in the books of the company at the close of business on September 14, 1979.

The ordinary share transfer registers and registers of members will be closed from September 15, 1979 to September 28, 1979, both days inclusive, and warrants will be posted from the Johannesburg and United Kingdom offices of the transfer secretaries on or about October 25, 1979. Registered shareholders paid from the United Kingdom will receive the United Kingdom currency equivalent on October 16, 1979 of the rand value of their dividends (less appropriate taxes). Any such shareholders may, however, elect to be paid in South African currency provided that any such request is received at the offices of the company's transfer secretaries on or before September 14, 1979.

The effective rate of non-resident shareholders' tax is 14.8375 per cent.

The dividend is payable subject to conditions which can be inspected at the head and London offices of the company and also at the offices of the company's transfer secretaries Consolidated Share Registrars Limited, 62 Marshall Street, Johannesburg 2001 and Charter Consolidated Limited, Charter House, Park Street, Ashford, Kent TN24 5EQ.

By order of the Board

Anglo American Corporation of South Africa Limited

Secretaries

per H. J. E. Stanley
Companies Secretary

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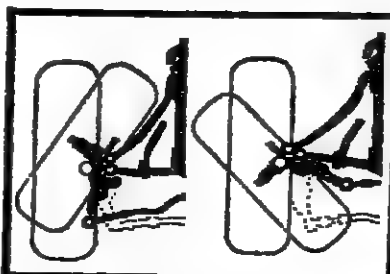
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The discreet design of the BMW 7 Series reflects the solid quality found throughout. It is that certain kind of quality that one takes pride in. Inside there's a sense of spaciousness, and the seats and ventilation create an environment of relaxed alertness.

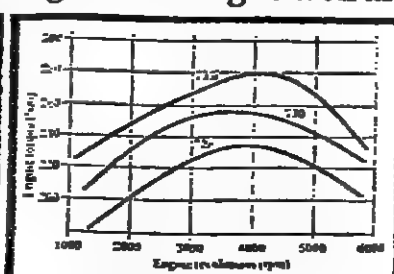
The 7 Series cars offer three different engine capacities—2.8, 3.0 and 3.3 litres, the latter with fuel injection. The 'straight six' configuration has often been said to be the most refined and smooth running of engines. In the big BMWs the sophisticated design produces excellent power to litre ratios as well. This, of course, is vital for automatic transmission. However it also makes manual driving a very refreshing experience. The

four speed gearbox is a pleasure to use and encourages a very positive and enjoyable style of driving. Whilst acceleration through the gears is extremely quick, each gear, due to the wide torque band of the engine, gives a powerful and effortless 'long-leggedness.'

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Double pivot front suspension with the small positive roll radius gives improved straight line stability at high speed.



Torque graph shows that a wide, flat band of power is available to enhance effortless driving.

an ease of comfort. The chassis offers handling incomparable in this size of car. To this is also added BMW's speed-related power steering—as the engine speed increases power assistance diminishes so one has maximum assistance for parking, and decreasing assistance as speed increases, for greater road 'feel'.

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FINANCIAL TIMES SURVEY

Wednesday August 29 1979

مكتبة الأمل

Offshore Expertise

The business of recovering offshore oil and gas has developed into a separate industry in its own right with its own advanced technology, as next week's Offshore Europe '79 exhibition and conference in Aberdeen will show. There are now about 400 drilling rigs operating around the world and it is estimated that approaching 20 per cent of the world's oil and natural gas is being produced from under-sea fields.

THE ENERGY industry is being forced to look increasingly at offshore areas in its quest for new sources of crude oil and gas. It is reckoned that of the recoverable resources still to be discovered, as much as 30 per cent of the world's oil stock and 27 per cent of the available natural gas, lie offshore.

At the same time oil operators are being challenged to find less expensive, more efficient ways to produce oil in deep, often hostile sea conditions. There are now about 400 drilling rigs operating offshore around the world, many of them drilling appraisal or potential producing wells. For it is estimated that about 18 per cent of the world's oil and about 17 per cent of the natural gas is being produced from fields under the sea.

Another, but less happy, yardstick of the scale of offshore activities, is that 15 under-sea wells go out of control somewhere in the world each year. That represents about 25 per cent of the total "blow-out" casualty list.

The estimate comes from Pemex (Petróleos Mexicanos), the Mexican State oil company which, since June 3, has been trying to tame the wild Ixtoc exploration well which has been spewing a volatile mixture of crude oil and gas into the Gulf of Mexico.

Ixtoc has emerged as one of the world's worst-ever oil disasters: testimony to both the scale of offshore operations and the potential hazards.

All this necessarily has led to the development of a whole range of new technology. In recent years exploration aids—particularly seismic equipment

and interpretive techniques—have been greatly improved to reduce the element of chance inherent in all wildcat drilling.

Offshore drilling is an extremely expensive business; North Sea wells cost several million pounds each—perhaps up to £10m in particularly difficult circumstances. When the cost of transport, servicing, back-up facilities and rig hire are taken into consideration, the bill for North Sea drilling can easily work out at more than £30,000 a day.

Once a field has been found and delineated the operator has a choice of development techniques to consider, ranging from the installation of large concrete or steel production platforms and floating production units, to clusters of sub-sea well systems.

The oil and gas have to be transported ashore, either by tankers (in the case of crude oil) or through pipelines. Again, new loading and transport systems have had to be developed to cope with rough and cold seas.

In addition, the myriad of supporting suppliers have had to refine their own operations and products, their services and equipment needed to protect the expensive offshore facilities in such a harsh environment: technology essential for the control of oil and gas production, and communication systems essential for any remote operation.

The offshore industry has grown not so much as an offshoot of the traditional land-based oil services sector, but as an industry in its own right. According to the Department of Energy's Offshore Supplies

Office the oil industry is ordering equipment worth £6bn a year for its offshore activities.

It is a measure of Britain's new importance as a producer of oil and gas that more than a quarter of these orders—about £1.6bn at the last count—are needed for UK offshore

Oil Corporation involvement. Last year, for instance, just 37 exploration wells and 25 appraisal wells were drilled offshore compared with 79 exploration wells and 37 appraisal wells sunk in 1975.

The Energy Department is determined to revive this type

licence operators and their output will join the 12 fields which are already on stream and producing 1.7m barrels a day—very close to Britain's daily oil consumption rate.

Another three oil groups are expected to approach the Government within the next few

months for permission to develop other reservoirs. They are the Conoco-led group with the Hutton Field, British National Oil Corporation's group with undeveloped reserves close to its Thistle Field, and the Mobil Group which wants to extend production activity in its Beryl Field.

Each of these projects is likely to involve the installation and operation of totally different production systems. Each will reflect the diversity of conditions confronting companies in the North Sea. And they will all incorporate the very latest in offshore expertise because the North Sea is providing a test bed for the world's offshore oil industry.

Take the case of Hutton Field, located to the east of the Shetland Islands between the Cormorant and Brent Fields. It seems almost certain that the

It is a system that has been considered by a number of operators for it is particularly suited to the development of deep-water fields where the cost of placing a fixed platform might be prohibitive. The Hutton Field itself does not lie in particularly deep waters compared with some North Sea reservoirs—482 feet to be exact—but Conoco feels that even here a tension leg platform is competitive with more traditional systems.

The Hutton system could cost between £800m and £700m to develop, the sort of investment that companies are having to make to recover oil from even relatively modest fields such as Hutton with estimated recoverable reserves of about 250m barrels.

As further evidence of the way oil field and seabed conditions vary in the North Sea—

variations reflected in differing designs of production equipment—the Amoco group has just decided to exploit a field next to Hutton (the North West Hutton Field) by using a conventional fixed steel platform. Here the development cost for the field (with 250m to 300m barrels of recoverable reserves) is put at about £500m.

It seems likely that this type of fixed steel unit will be used as the basis of the production system on the northerly portion of the Beryl Field as well. Here again in excess of £500m will be spent on exploiting recoverable reserves of 250m to 300m barrels of oil.

What is particularly taxing the Government and the offshore industry at present is how operators can economically exploit much smaller discoveries, the so-called marginal fields.

There are about 50 of these already-identified small fields in the UK sector of the North Sea alone. Between them they could contain more than 3bn barrels of oil, almost twice the remaining oil reserves of Shell-Esso's giant Brent Field.

One idea gaining increasing support is the use of sub-sea wellheads, connected either to small fixed structures or floating platforms that could be moved to another location once the field has become depleted. Of course, such wellheads also can be connected to existing production facilities if these happen to be within a reasonable distance. And this is the case with BNO's Thistle Field.

BNO is planning to install up to six sub-sea wellheads to the north of Thistle in order to

tap an extra 50m barrels of recoverable reserves. The sub-sea development could cost between £60m and £90m and would be the first step to exploiting several unconnected oil structures in the Thistle block.

It can be seen, then, that those connected with North Sea exploration and development are witnessing a period of renewed activity; one that will be particularly welcomed by Britain's oil platform builders who have had a couple of very lean years.

The developments will also be watched with interest by Governments, regulatory agencies and companies with offshore oil fields. They will want to see the steps being taken to make offshore operations safer, particularly in the light of recent fatalities among divers.

They will be reviewing progress made in the field of inspection and maintenance—of paramount importance in a mature oil-producing sector such as the North Sea where just a faulty valve on a major platform might cause a shut-down and the loss of throughput worth more than £1m a day.

Those involved in the North Sea oil and gas industry are at the sharp end of offshore technology. This is one reason why trade missions and Offshore Supplies Office delegations have been invited to such areas as China, the Middle East, Russia, South America and Australia.

However, this expertise still has not been fully translated into a wealth of export orders for European-based companies. This is where Aberdeen's Offshore Europe '79 exhibition and conference next week can make a valuable contribution.

A challenge to oil operators

By Ray Dafter, Energy Editor

activities, virtually all of it in the North Sea of course.

Last year UK operators spent £1.73bn on the development of offshore oil production equipment, pipelines and associated shore facilities. Another £253m was spent on the exploitation of gas fields. Furthermore, about £260m was committed to exploration work—a level of expenditure which is expected to increase substantially as companies begin to drill prospects in sixth-round licence blocks and to appraise more fully structures on blocks issued in earlier rounds.

The level of wildcat drilling in the UK sector has fallen in recent years, partly a reflection of the swing from exploration activity towards more development work, and in part the result of the oil industry's concerns about Government policies and British National

of drilling activity. As a result it has been asking oil companies which blocks they would like to see offered in the next seventh round of licences. In this way the Government hopes to attract keen oil industry interest in the seventh round, which is expected to be more ambitious and more enticing than the past two.

Development drilling should continue apace, however. During the past two years, the industry has been drilling producing wells at an annual rate of 96; a far cry from 1975 when only 21 development wells were drilled.

Companies are now firmly engaged in one of the busiest development programmes seen in the North Sea since the West Sole gas field was discovered in the UK sector in October, 1965. No fewer than 11 oil fields are being developed by British

months for permission to develop other reservoirs. They are the Conoco-led group with the Hutton Field, British National Oil Corporation's group with undeveloped reserves close to its Thistle Field, and the Mobil Group which wants to extend production activity in its Beryl Field.

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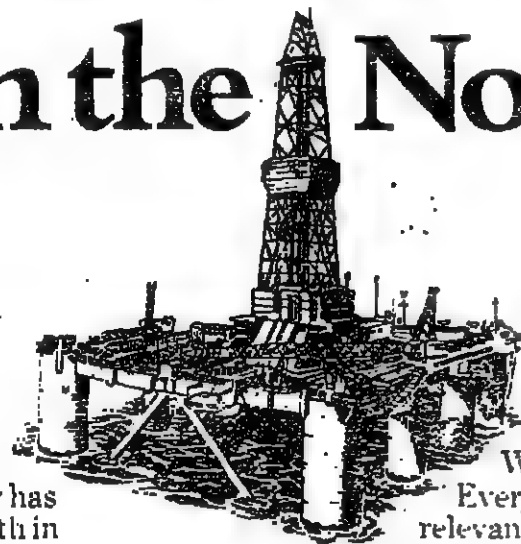
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OFFSHORE EXPERTISE II

Change in thinking on support vessels

NOT LONG AGO, the offshore supplies industry and the Government were predicting an exciting market ahead for a comparatively new type of North Sea vessel, the maintenance support vessel (MSV).

The need was for a large multi-purpose submersible, able to deal with emergencies such as blow-outs and serious platform fires and at the same time able to earn its keep by serving as a floating workshop.

After the Ekofisk blow-out, in April 1977, interest in offshore safety intensified. It was predicted that as many as 10 MSVs, at upwards of £25m apiece, would be needed urgently for use in the North Sea as a whole.

Four vessels of this type have been ordered. One, the Phillips SS, is in service. One, for Occidental, is on trial in the China Sea. Two, for British Petroleum and the British National Oil Corporation and the Shell-Esso partnership respectively, are at the early stages of construction. Of these, only one building, for BP/BNOC, has been placed with a British yard — British Shipbuilders' Scott, Lithgow.

Every time a major order for the UK North Sea is placed abroad there are protests from industrialists, trade unionists and MPs. These were particularly loud when, shortly after the present government came to power, Shell-Esso authorised the placing of its MSV order with Rauma Repola, Finland.

The Finnish price was £40m, with delivery in two years. The lowest British price is believed to have been £60m, with delivery in three years, and the subsidy that would have been required to build the vessel in a British yard was considered too high by the new government.

Britain's position over this MSV is not entirely gloomy. Seaforth Maritime, Aberdeen, has a £100m five-year contract for its design, construction, supervision and operation and it is likely that orders for some of the installed equipment will be placed in Britain.

Nevertheless, many disagreed with the Government's decision. The former Minister for Energy, Dr. Dickson Mabon, MP for Greenock, said the Finnish price was obviously heavily subsidised. He added that the vessel was one of a future family of similar units and that the Government should have found a way of securing the order for this country.

To add to the chagrin, it now appears that prospects for many further additions to the fleet of North Sea MSVs are fading. There is one more order on the horizon, perhaps two. But thinking on the subject has changed. The Government and the oil companies are tending to believe that it is sufficient to have an MSV within 24 hours steaming time of any offshore installation. Five vessels, it is thought, will be able to cover the whole of the British North Sea on this basis.

It is proposed that the first 24 hours of an incident will be covered by a new type of North Sea animal, the RIV (rapid intervention vessel), one of which should be within half-an-hour's steaming time of every platform. It would have a fighting capacity sufficient to cool a burning structure and allow the safe evacuation of personnel and would be used in conjunction with a high-speed rescue launch. Ocean-going stern trawlers could be converted to RIVs.

To the disappointment that the MSV market is unlikely to blossom as hoped must be added concern at the absence of work to keep the UK supply boat industry busy. The Norwegians are the culprits here, says the industry, protecting their own market, but operating in British waters at low rates.

In the meantime there is little demand for new buildings. There are, nevertheless, 11 supply boats under construction in Norwegian yards, including four for British owners. There are also three British vessels being built in Japan, but none in Britain.

As the offshore industry moves more into the production phase the trend is towards the use of larger supply boats and the latest vessels are of around 8,000 bhp with considerable load-carrying capacity. When platform construction ceases, the "milk-run" phase begins. In the southern part of the North Sea, one ship will call on a routine basis, at a number of gas platforms. It is expected that this method will soon be a usual practice in the oilfield areas and that fewer but even larger vessels will be needed.

Welding

Change has come, too, to the drilling sector. Ten years ago it was believed that underwater welding was not really practicable, but last year about 60 major underwater welds were completed in the North Sea by UK-based diving contractors.

With the introduction of mixed gas diving, much longer periods can be spent at depth and there has been a considerable development of divers' skills in the use of non-

destructive testing techniques, for example.

There are just over 2,000 divers employed in the UK sector, an adequate number to cope with current work available. But most divers tend to leave the industry after a few years and the Manpower Services Commission estimates that there is a need to train between 250 and 400 divers a year.

Standards of training in diving are regulated by the Government as acceptable and have been used as a model by other countries. Mixed gas training standards, however, are under review. There must be less emphasis on depth, but long periods at depth under compression and more on emergency training.

The Manpower Services Commission has decided not to renew the contract held by Stanley Trust Services to manage the Government-funded Underwater Training Centre at Port William when it expires at the end of this year. The Petroleum Industry Training Board will be invited to take over. There has been criticism of the standards at the centre, but the commission emphasises that the decision does not reflect adversely on the present management and was made some time ago.

At present, only the Port William centre provides training in mixed gas techniques for British divers. This may change, it is expected, as the regulations for longer periods of training at least one private offshore school, Pp Dive, at Portsmouth, will offer a mixed gas course.

In spite of the wide range of submersibles (manned and unmanned), one atmosphere suits and remote-controlled vehicles available, about 80 per cent of underwater work in the North Sea is still undertaken by divers. Field operators would like to use the other methods more for cost and safety reasons, but feel that they have yet to reach their full capability.

The Department of Energy, believing that offshore industry should be concerned itself with depths inaccessible to divers, has set up the Advisory Group on the Technological Development Necessary for the Progressive Replacement of Man Underwater. Its object is to apply some rational and co-ordinated thought to the development of sub-sea vehicle systems.

Remote-control of underwater operations is likely to be a systems approach to the offshore installations themselves. With deep water in mind, Exxon has experimented with a remotely-controlled submerged production system with some success. The practical application of these ideas is now being applied by Shell-Esso on an underwater manifold centre believed to be designed for the Cormorant Field, expected to start operations in 1982.

Russell Andrews

Maintenance work estimates revised

THE EFFECTIVE repair and maintenance of off-shore operations is vital to those companies with a massive investment to protect.

The shutdown of one platform on the northern North Sea because of defective equipment can result in the daily loss of production worth up to £1.5m and operational failures have occurred on North Sea oil platforms only months after installation.

Two years ago the UK Offshore Supplies Office, which was set-up by the Department of Energy, estimated that the inspection, maintenance and repair market in the British sector would be worth between £300m and £400m a year in the early 1980s.

However, the industry has now revised its estimates. In March this year, Mr. Norman Smith, OSO director-general, told the Offshore Repair and Maintenance Conference in Brighton that it was now estimated that the market for scheduled repair and maintenance work would be about £300m at 1978 values in the early 1980s. He estimated that unscheduled work, that is emergency work, could be put at between £25m and £50m a year.

Of the £200m about 50 per cent is expected to be spent on topsides, rig and terminal maintenance. Of the other money about two-thirds might go on subsea inspection, maintenance and repair and one-third on well maintenance and workovers, said Mr. Smith. About five-sixths of the total expenditure is expected to be spent in the northern part of the sector.

Because the off-shore equipment is exposed to such harsh conditions in the northern North Sea it is essential that systems are designed with the best possible access to critical components. In the early days of exploration and production the oil industry and its associated industries were slow to come to terms with the technological demands of operating in the North Sea. But in the last couple of years new techniques have been developed in areas such as non-destructive testing to combat corrosion in steel and concrete platforms and undersea equipment.

Divers are adopting new kinds of expertise and the design of submersibles is becoming ever more sophisticated, while above the water line more attention is being given to providing ease of access for maintenance crews. There are new technological developments at present at the research and design stage, such as the wet-well inspection system designed by Vickers Oceanics which has now been taken over by the National Enterprise Board. These innovations have not been intro-

duced yet because maintenance crews have not yet reached the stage of extensive investigation of sea-bed equipment. But as more sub-sea systems are installed so the demand for new sea-bed inspection equipment will grow.

British industry has been quite successful in meeting the needs of the oil companies in this field, particularly with the help of the Department of Energy's Offshore Supplies Office which claims that in 1978 UK industries took 73 per cent of the repair and maintenance market. But UK companies have found great problems in areas of high investment and or specialist technology. Vickers experienced great problems in the submersibles side of sub-sea work and has withdrawn interests in this field.

Credibility

Intersea, a subsidiary of the Anglo-U.S. Northern Offshore, claimed 60 per cent of the North Sea submersibles market last year and expects this to increase this year. Any company which does perform well in this difficult market has great credibility in less demanding environments and as exploration work is pushed further and further offshore companies which have mastered the existing difficulties of North Sea maintenance and repair should probably stand in good stead.

There has been a slow development of companies offering package repair and maintenance deals. In 1977, one of the first operators in the North Sea where it gained great expertise in inspection, maintenance and repair—formed Omisco on a 50-50 basis with Wimpey. The latter had not been involved in IMR but was in the off-shore construction business. Together they offered companies a complete off-shore inspection and maintenance service including overall planning and management.

However, the consortium has not done as well as expected, mainly because operators want to control as much of the operations as possible. It is the smaller, more specialist companies which have been at an advantage and invited into the market because of specific expertise.

There are two sectors of the market: above and below the waterline. The first involves the servicing of the process and power generating units installed on the platform deck. This involves similar skills to those used in refineries and petrochemical plants on-shore. Therefore competition for contracts is keen—on-shore service companies being able to adapt their skills.

Sub-sea work demands very specific skills, and technical changes in production systems technology is resulting in new

maintenance and inspection requirements.

Diving companies are being forced to adapt to new techniques, moving away from traditional methods such as magnetic particle inspection based on surface of every place, more emphasis on closed circuit television, ultrasonic and photographic methods.

As fields in deeper waters are developed, the adoption of sub-sea production systems and tethered platforms may increase. According to an international management report published by the Financial Times, although the maintenance requirements will differ from those of fixed structures, the net effect on maintenance and inspection services are not clear.

Sub-sea systems which are remotely controlled and "maintenance-free" may be developed to cater for these needs. Alternatively, says the report, sub-sea production equipment may be encapsulated in a manned, pressurised chamber for control and maintenance with access made through submersible vehicles.

Other research may reduce diving time, such as investigation into marine fouling and techniques of protection by using systems or coatings. Much diving time at present is devoted to the removal of this growth.

Improvements in photographic equipment have also meant that vehicles are able to supplement some of the work previously done by divers. However, according to the Offshore Supplies Office, the present generation of divers will not be thrown out of their unpleasant and dangerous work for some years to come.

Lisa Wood

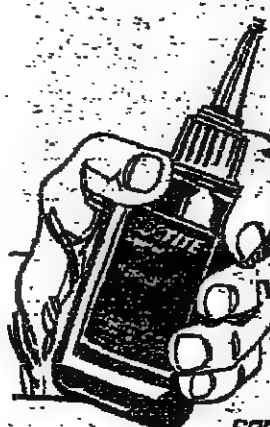
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OFFSHORE EXPERTISE III

Yards lack platform orders

A STEADY FLOW of proposals for developing a new generation of oilfields in the North Sea has been submitted for approval to the Department of Energy over the last 12 months, but they have failed so far to ward off the threat of redundancies at several of the Scottish oil platform construction yards.

Two more massive steel platforms were floated out to the North Sea in recent weeks to the Taran and Murchison Fields, leaving large gaps in the fabrication yards' order books.

Prospects should begin to look up next year when the oil industry begins a new round of platform ordering for fields such as North West Hutton, Brae and Beryl, which will all require conventional fixed steel platforms. But doubts must remain about the long-term viability of some of the construction yards, given the problem that the North Sea apparently cannot generate sufficient orders to guarantee some continuity of employment.

It is the concrete platform construction yards which have been particularly hard hit. The dearth of orders for this type of structure has meant that the McAlpine/Seabank yard at Ardyne Point on the west coast of Scotland has been without work for more than a year.

Preference

Howard Doris, which constructed the huge 600,000 tonnes concrete Ninian Central platform, has been forced to go into steel fabrication to win new work and the Government-sponsored yard at Portavadie in West Scotland is still idle, having failed to win a single order.

The marked preference shown by the majority of oil companies for steel platforms in the most recent round of ordering has meant that the steel fabrication yards have had more success in winning new work, but here the competition is still fierce.

J. Ray McDermott, which has recently completed building the Murchison platform at its yard at Ardeer, near Inverness, was forced to cut its workforce by 500 in May because of the uncertainty over future orders. This year the U.S. com-

pany's Scottish yard has floated out two large steel jackets, the first being the ill-fated structure that was bound for the Namorado Field in the Campos Basin off the coast of Brazil.

The 23m jacket was towed out in January and got only as far as the southern North Sea near Hartlepool, where it sank in a winter storm.

At the nearby platform yard of Highland Fabricators (the Brown and Root/Wimpey partnership) at Nigg Bay, 1,600 workers, or nearly three-quarters of the workforce, face redundancy by next month because of the shortage of work.

During the summer the Nigg Bay yard has been completing work on small orders for equipment for Amoco, Chevron and Texaco but now has only the contract for the main steel jacket for Shell/Esso's Fulmar Field remaining.

The McDermott yard has a limited amount of work, a cellar deck for the Beatrice Field and piles for Fulmar, to take it through to next summer.

Both Highland Fabricators and McDermott were very disappointed that they failed to win either of the last two steel platform orders awarded for the North Cormorant and Maureen Fields. They are now setting great hopes on securing the next important contract to be placed for the UK sector of the North Sea: the steel jacket for British Petroleum's northerly Magnus Field. That contract should be awarded in the late autumn, and could be followed by other orders next year.

A nine-member group of companies led by Marathon of the U.S. applied earlier this month to the Department of Energy for permission to go ahead with the £700m development of the Brae Field in the central North Sea.

The group is planning to exploit about 300m barrels of crude oil and natural gas liquids in the southern portion of block 16/7 using a single, conventional, fixed steel platform. A similar structure is being planned by the Mobil group as the second platform for the Beryl Field in a £300m development, which it will shortly submit to the Government for approval.

The Department of Energy has recently given the go-ahead to the Amoco group to develop the North West Hutton Field and the consortium is likely to go out to tender for a steel jacket in a few months' time.

The last two important platform orders to be awarded were for Shell/Esso's North Cormorant Field and for the Phillips Petroleum group's Maureen Field. The North Cormorant order was won by a consortium of Redpath de Grot Caledonian's yard at Methil, Wye and the French company, Union Industrielle et d'Entreprise based at Cherbourg.

But even this latest order was not enough to stave off redundancies at Methil. Last month RGC announced that about 300 of its 800 workforce would lose their jobs by the autumn.

Continuity

Continuity of work at the three main Scottish steel yards was helped nearly two years ago by the withdrawal from platform building of Laing Offshore at its yard on Teesside, where the company built two of the main Forties steel platforms and also the Thistle steel jacket. But earlier this year the competition was intensified again when a new rival emerged in the shape of Chicago Bridge and Iron of the U.S. and the Glasgow-based Weir group.

They won the order for the steel gravity platform for the Maureen Field, which will be the first structure to be built at Hunterston, on the Ayrshire coast, at a yard which has lain empty and unused for five years. The integrated steel deck was also awarded to a new partnership, Howard Doris and NAPM of Holland, and will be built at Loch Kishorn on the west coast of Scotland.

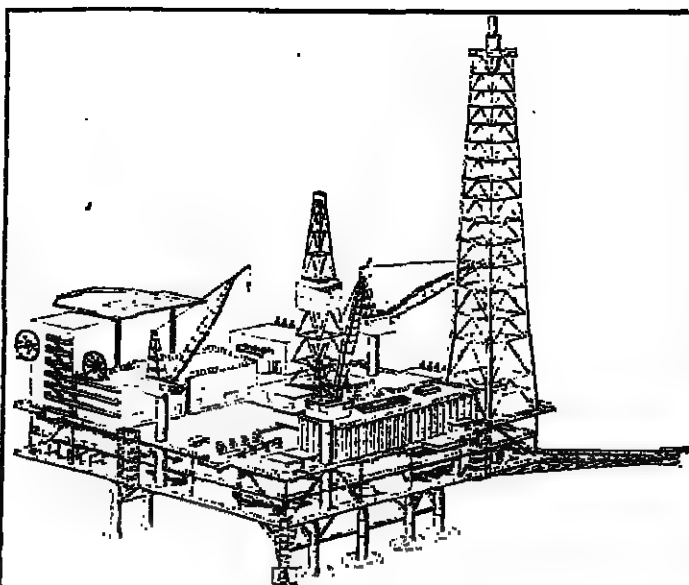
All the traditional construction yards must be aware, however, that their future is also clouded by the development of new production technology for developing offshore oil and gas fields. For instance, a group led by Conoco of the U.S. has decided to develop its Hutton Field to the east of the Shetland Islands using a revolutionary platform design, which has

never been employed before in the North Sea or elsewhere for a full commercial field development.

The eight-member consortium has decided to use a floating tension-leg platform, instead of one of the conventional rigid steel platforms which are fixed in place by piles driven into the sea floor. Conoco's floating platform will be held in place by chain-link steel hawsers attached to the sea bed.

Beyond floating platforms the oil industry is also looking with growing interest at sub-sea production systems, which can be placed on the sea bed. Sub-sea wells will be used increasingly to develop small oil accumulations located near existing platforms, which are not large enough alone to merit their own production systems.

Kevin Done
Energy Correspondent



Drawing of the deck for the Maureen platform, which Howard Doris is constructing at its Loch Kishorn yard for Phillips Petroleum

More pipelines likely in 1980s

THE PROSPECTS for pipeline construction in the North Sea are looking more positive than they have for several months, with several important projects under discussion.

The UK Government's revival of plans for building a gas gathering pipeline and the Norwegian Government's search for a way to bring ashore considerable quantities of gas from Statfjord and other fields has renewed hopes that the oil industry could embark on another major phase of offshore pipeline building during the early 1980s.

For much of the 1970s the North Sea has provided the most important area for new pipeline work in the whole of Europe. All the major oil fields in the UK sector are already linked to the shore by pipeline, but the Government is turning its attention to ensuring that as many as possible of the new

generation of smaller fields are also linked into the offshore pipeline system. Several of the more recent fields to be considered for development are not large enough alone to justify a pipeline link to the coast. But operators are being encouraged by the Department of Energy to consider the construction of links to the major existing oil trunklines.

Pipelines are already in place to serve the most prolific North Sea fields. Oil has been flowing through the 111-mile pipeline from British Petroleum's Forties Field since 1975 to Cruden Bay to the north of Aberdeen, and a year later the 124-mile line from the Occidental Group's Piper Field to the Orkney Islands was completed.

In the Norwegian sector the 220-mile crude oil pipeline linking the Ekofisk complex of seven fields with Teesside on

the field finally opted for offshore loading at the field direct into tankers.

However, the most complex system of pipelines in the North Sea is still being developed, to serve the group of major oil discoveries made in the East Shetlands basin. Two major trunklines have already been built to join the Brent and Ninian systems to the Sliba Sullom Voe oil terminal in the Shetland Islands, and the first crude oil began to flow to the islands in the late autumn last year.

Sullom Voe is already receiving crude from the Ninian Field, the third largest discovery in the UK sector of the North Sea, and from the Heather, Thistle and Dunlin Fields.

The existence of the two large 36-inch diameter pipelines, the Brent and Ninian systems, has already meant that several small fields have been tied into pipelines, projects that considered in isolation would never have been economically justified. The main Brent system trunkline actually connects Shell/Esso's South Cormorant field to Sullom Voe through a 93-mile pipeline. The South Cormorant platform is the main pumping station for the network and is the receiving point for oil from a number of other fields.

Oil should start flowing through the pipeline from the Brent Field, the largest discovery in the UK sector, in October—the field came on stream in November 1976 but all production so far has been loaded offshore direct into tankers—and it will be followed early in 1980 by the South Cormorant field itself, which has been delayed for several months by construction hold-ups offshore.

The first flow of oil should also begin from the Conoco group's Murchison Field next year and during the early 1980s both the North Cormorant and the North West Hutton Fields will be linked into the system.

The Ninian trunkline to Sullom Voe is likely to be handling a smaller throughput than the Brent system. It was first brought into use last autumn for the small Heather Field, but at the end of December production also began from the Ninian Field itself, which is expected to have an output by 1981 of 350m b/d. This will be added to in 1983 by British Petroleum's Maureen Field.

For fields under development further south in the North Sea, the obvious systems with which to connect are the Piper or Forties pipelines. Texaco, which is well-advanced with the development of the Taran Field, has reached agreement with the Occidental Group to use its Piper/Claymore pipeline link to the Orkney Islands. The deal has involved the construction of a 17-mile feeder pipeline from the Taran Field to the Claymore platform.

Less clear are the transport systems that finally will be chosen for other central North Sea oil fields, such as Brae in block 16/7 and the Phillips Petroleum group's Toni/Tiffany/Thelma discoveries in block 16/17.

However, the Government faces something of a dilemma over its insistence that fields should be developed with a pipeline. It is also keen to promote a steady flow of orders for the UK offshore supplies industry and some North Sea operators have suggested that field developments could be held up for many months, or even postponed, if the Department of Energy insists on a pipeline link as a condition of approving the development.

Phillips Petroleum's Maureen Field is a clear example of this problem. Earlier this year the Government reluctantly allowed this development to go ahead with a system of offshore loading because the overriding consideration at the time was the need to attract more work for the platform-building industry in Scotland.

Flared

The wish to make the fullest use of the North Sea's hydrocarbon resources is the driving force behind plans laid by both the British and Norwegian governments for gas-gathering pipelines. As much as 700m cubic feet a day of gas—equal to about 15 per cent of the present UK gas consumption—is currently being flared in the UK sector of the North Sea. The Department of Energy is anxious to reduce this waste and create facilities for bringing the majority of associated gas production ashore.

The problem is that, taken individually, most oil fields do not produce nearly enough gas to justify their own pipelines. A major gas trunkline has been built from the Brent Field to St. Fergus, to the north of Aberdeen, but this field has an unusually high gas content (it is due to begin operation in October next year) and it is the exception.

This line will be used as a mini-gathering system to collect associated gas from some of the other fields to the east of the Shetlands. At the same time fields such as Piper and Taran will feed their associated gas output into the trunkline that leads to St. Fergus from the Anglo-Norwegian Frigg gas field. But many fields are still being left outside the network, and, eventually, unless a gas-gathering pipeline is built much of their gas output will simply have to be flared off wastefully into the atmosphere.

The latest project to investigate the feasibility of a gas-gathering pipeline in the UK sector has been undertaken by Mobil, the U.S. oil company, in conjunction with the British Gas Corporation.

Kevin Done

The search for energy:

A vital role for British Gas.

Dramatic successes in off-shore exploration over the past 15 years, together with equally spectacular advances in the technology necessary to produce and bring ashore hydro-carbon resources from beneath some of the most difficult waters in the world, have laid the foundations of Britain's self-sufficiency in the 1980's and beyond.

British Gas, through its exploration subsidiaries, has played a leading part in this endeavour, as an active member of several successful consortia, including the Gas Council/Amoco Group and that led by Mobil North Sea Limited and, more recently, as an operator in its own right.

The British Gas discovery in Morecambe Bay is expected to be

making an important contribution to Britain's natural gas supplies by the mid-1980's. On land too, the Gas Council/BP partnership, with British Gas as the operator, has discovered oil in commercial quantities at Wytch Farm, Dorset. This is already the largest on-shore oil discovery so far, and its ultimate potential is still being examined.

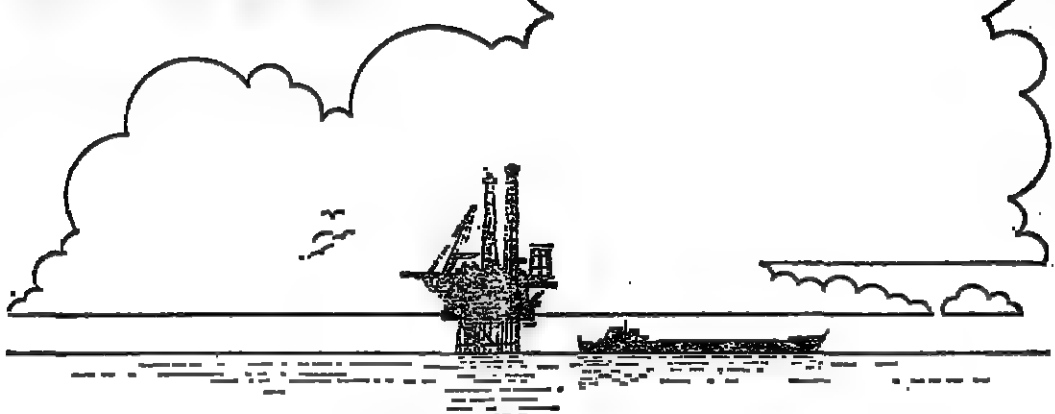
British Gas is also working with Mobil North Sea Limited on a joint study for a gas-gathering system to collect and bring ashore large quantities of gas from the northern North Sea.

British Gas is continuing to make an important contribution—on-shore and off-shore—to harnessing Britain's vital energy reserves.

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OFFSHORE EXPERTISE IV

A springboard for exports

IN A FEW days' time a delegation from China will visit Britain to attend the offshore conference and exhibition at Aberdeen and to talk to companies in the offshore oil and gas industry. The visit is symptomatic of a growing worldwide interest in offshore exploitation which has intensified since the Iranian crisis and the world oil prices.

It has been estimated that as much as 40 per cent of the world's oil reserves could lie offshore and almost every country with a coastline—including those whose waters were until recently not seriously thought to be prospective—is now eagerly considering its offshore prospects. This includes existing onshore producers, some of whom, such as Venezuela, hope that their continental shelf may yield a "sweeter," more acceptable oil.

Accurate quantification of the world market for offshore equipment and services is impossible. Oil companies report orders placed in the UK sector to the government but even the figures this procedure reveals (£1.57bn last year) are regarded as little more than a rough indication of the business generated.

The UK Offshore Supplies Office used to talk of a world market of £4-6bn a year. Now it assumes the possibility of expenditure in a few years' time being four or five times that in the British North Sea. This assumption gives perspective. If nothing more, a huge market appears to be looming.

Surely this presents an exceptional opportunity to the British offshore industry, which has the advantage of a comparatively mature offshore province on its doorstep and experience of large-scale production in a hostile environment? The North Sea, runs the cliché, should give the offshore supplies industry an invaluable springboard into the export market.

So it should. But it is glib to assume that there is a huge market vacuum just waiting to be filled by the British.

Countries developing their offshore resources hope to supply as much of their own needs as they can. The UK, after oil, has adopted this approach and now supplies about 60 per cent of its requirements, with many believing that the Government has been too soft and that the percentage

could be higher. Countries less bound by commitments to their trading partners may be expected to adopt a tougher line. And some, of course, will have reason to favour partners other than Britain.

Nevertheless, Britain has considerable strength. At the earliest stages there is capability for initial geological and seismic work. At the exploration stage, there is not a great deal to offer—overseas companies have dominated the manufacture and operation of the rigs used in the North Sea—but British expertise comes on strong again at the field development stage.

This was well illustrated at the Offshore Technology Conference at Houston this year, where the UK fielded the largest number of overseas exhibitors and contributed some impressive technical papers.

Experience

A number of contractors and consultants are now able to offer exceptional design and contracting services—Halcrow Ewbank, CJB Offshore, Wimpey, Davy Offshore, Humphreys and Glasgow, Matthew Hall, and William Press are names which spring to mind. There is experience here to bid effectively, in consortium, on a "turnkey" basis—undertaking platform design, construction, and tow-out, and the hook-up and commissioning of production facilities.

Some countries—India is one—are known to favour this approach, although, up to now, the idea has not been popular with the companies, perhaps because of the large-scale risks involved.

The tale of the Scottish-built jacket for Brazil's Namorado Field, which sank on tow-out, although seemingly through no fault of the yard, has not helped the national image. But the experience is largely irrelevant. The British advantage does not lie, as was once thought, in the construction and export of basic offshore hardware. If jackets

and modules cannot be built in the country that needs them, there are many countries as able to build them as Britain. Some will be nearer. Others will often be cheaper.

Where Britain ought to score is in the provision of consultancy and design services and of specialised equipment that can stand the cost of the journey, and in the construction, with local partners, of heavy equipment in the yards of the host country.

Brazil is a classic example. CJB Offshore has been providing technical service for Brazil's offshore sector since 1976, with its contract extended last year for a further three years. Worley Engineering, a William Press subsidiary, has the top-side design contract for the Namorado platform and Davy Offshore that for the Enchova Field.

This month Redpath Dorman Long (International), part of British Steel, helped to restore the unfairly tarnished national image by securing a share in the second Namorado platform contract in partnership with two Brazilian companies and Heerema, Holland. But this time the platform will be built in Brazil. Horizon Exploration (formerly S and A Geophysical) starts seismic work in the Brazilian sector shortly with its survey ship, Oil Hunter. Ocean Industries has set up a Brazilian subsidiary.

Brazilian work out for bidding at the moment includes seven modules for the Enchova and Garoupa Fields, expected to be built locally. Several British companies—Press, Davy and Moirerwell Bridge among them—are included on the pre-qualified list, in conjunction with local partners.

Other South American countries are regarded as promising longer-term prospects, particularly Venezuela and Argentina. There are good prospects in the Middle East. Two offshore platforms are to be installed in the central Zakum Field, off Abu Dhabi, one for power generation and one for water

injection, and a further four platform orders are expected for Upper Zakum. The French will be a formidable competitor here, but hopes for some form of British participation are high. There are also expectations for the development of a large gas field off Qatar.

Best near-term prospect could be the North Rankin Field off Western Australia. Worley Engineering is early on the scene here with the contract for the design work for two platform topside facilities and has established an office in Perth with a staff of more than 100. The North Rankin prospect, on which \$450m is being spent on feasibility studies alone, involves two new supply bases, a liquefaction plant and offshore and onshore pipelines, in addition to development of the field itself. A firm decision on whether to go ahead is expected in the next two or three months with the ultimate cost expected to be about \$430m.

Stability

The market worldwide is highly diverse and industrialists are advised, while making full use of the information and services provided by the government, to select their own target countries where they expect their particular experience to be at its most valuable. They should consider financial factors, such as the ease, or otherwise, with which funds can be repatriated, and the prospects for political stability. They should then secure detailed knowledge of each country concerned and its requirements and where appropriate, look for local partners and associates with complementary know-how.

John Anderson, who heads the OSO's export unit, points out that although the major oil companies have extensive worldwide procurement services, there is a tendency in some countries for State oil companies to seek a closer involvement in the award of contracts. "The wisest course is to get to know the State oil company as well as

possible while retaining links with the oil majors," he advises. "But, at the end of the day, it's efficient performance that counts."

Next week's visit by the Chinese delegation follows a series of visits to China this year by British offshore interests. British Petroleum and Matthew Hall gave a seminar presentation in Peking in February. Horizon Exploration and Deca followed in March. British Shipbuilders and Wimpey in April and British Underwater Engineering in June. In July more than 100 UK companies had stands at an energy exhibition in Peking.

Not all the British concerns involved in offshore work are unaccustomed to working with the Chinese. Humphreys and Glasgow, for example, were involved in the installation of onshore gas plants in China early in this century, and have subsequently been commissioned ammonia and methanol plants there.

Delegates to Peking were surprised, however, at the extent of the Chinese interest offshore and of the progress made to date. Production has already started, on a limited scale, in the Gulf of Pohn, where several small platforms were installed. Exploration drilling is underway in the East China Sea and seismic surveys are being run in the Yellow Sea and the South China Sea.

The Russians received representatives from British oil and gas companies in Moscow in July. Here the interest lies in the Caspian, where BP and Wimpey are part of an international consortium, which is bidding in connection with a steel platform for the Baku and a module assembly yard at Astrakhan.

But the Russians are also enthusiastic about the possibilities of the Barents Sea. The first question they asked British visitors was: "How much experience have you had in dealing with icebergs?"

Bruce Andrews

Gas sector depends on flexible supplies

NATURAL GAS from the UK sector of the North Sea began arriving on shore, from British Petroleum's West Sole Field, in March 1967, eight years before the first oil field was brought on stream. Within a decade the British Gas Corporation's network was "converted" away from town gas to the extent that customers are now wholly reliant on offshore supplies.

This puts Britain's offshore gas industry in a somewhat different position to that of the oil sector. It is a far more mature offshore operation, now geared more to maintaining supplies and balancing those identified supplies with demand, than to a rapid buildup in production.

Consequently, those involved in gas production and distribution are demonstrating a sphere of offshore expertise of their own, one often overlooked in the excitement of the North Sea oil race but one which could have a considerable impact at home and in other mature gas-producing areas.

The problem is this: the Gas Corporation, looking at the size of potential reserves, has promised its customers that there will be plenty of gas to last into the next century when other sources, perhaps substitute natural gas, can be used to meet demand.

However, this offshore natural gas will come from differing sources and at times which cannot be dictated by the corporation. For instance, a good deal of the future supplies will be taken from oil fields where gas is produced in association with crude oil.

The rate of gas deliveries will be determined largely by the speed of oil development and that, in turn, will be influenced by Government economic and depletion policies which have still to be clarified. To add to the problem, these supplies must meet a demand level which is far from constant.

For instance, domestic gas sales, which account for about half of the thermals sold in the UK, vary tremendously depending on the time of the year and, to some extent, the time of the day. The other sectors show similar, although less variable, patterns of demand.

The recent Price Commission report into the Corporation's activities illustrated the extent of the problem. It reported that in the 12 months to the end of September 1980, tariff sales in the domestic and non-domestic sectors would average 26.5m thermals per day throughout the year, but on a very cold day (of the kind estimated to occur only once in every 20 years) the same segments would demand 67.5m thermals.

Strange as it may seem, this has a direct bearing on offshore operations, providing a challenge peculiar to the suppliers

and buyers of natural gas. The object is to gain the maximum flexibility from supplies. On the face of it, this is becoming more difficult to accomplish. As it stands, the corporation has already negotiated a good deal of leeway into the contracts with the operators of the six gas fields in the southern sector of the North Sea: Leman Bank, Indefatigable, Viking, West Sole, Hewett and Rough.

Here the corporation has contracted to buy gas at a rate that will sustain an average load factor of about 60 per cent over a 12 months' period. For instance, in the year ending September 30, 1980, it could buy 57.8m thermals on a peak day against an average of 34.8m thermals.

One idea, now being seriously discussed with oil companies, involves the use of two southern gas fields as storage vessels. Two partly-depleted fields in particular would lend themselves to this treatment: Rough and Hewett, whose geology would make them suitable for use as natural storage tanks.

Rough is now operating at its peak production level—an estimated 104m cubic feet a day—and should go into decline in 1982. Hewett is in an even more advanced state of depletion; its current output is about 65m cubic feet a day as against 785m cubic feet a day in 1976.

By the mid-1980s its output could be down to 410m cfd although it is quite possible that by then Hewett will have assumed a new role: storing gas produced from more northerly fields during summer months and boosting the level of supplies during the winter.

The Price Commission has indicated the extent to which the corporation would have to build up its storage capacity. In its recent report it said British Gas had storage capacity in excess of 2.2m thermals a day (the exact figure has not been divulged)—enough to meet the

current needs of a peak daily demand. By 1983-84, however, the corporation would need at least 23.3m thermals a day of the spine of the North Sea area, storage to cope with the high peaks in demand.

The use of the southern gas fields is one answer. The corporation is also putting in underground natural gas storage facilities, and developing salt cavity storage underground in the Yorkshire.

But there is another possibility which has arisen, somewhat fortuitously, in the Irish Sea. British Gas has discovered its own gas field—the Morecambe Field—between Liverpool and the Isle of Man. The field, containing estimated recoverable reserves of 2.3 trillion cubic feet, is to be developed at a cost of some \$450m.

The corporation, with sole interest in the field, had intended to start production in 1985 but in view of its need for flexibility the field might well be brought on stream two years earlier. For Morecambe provides an important bonus for British Gas: its output can be turned up and down in tune with seasonal demand.

The Morecambe development will make a significant contribution to Britain's offshore industry, not only as a peak-load supply facility, but also as its own centre of development technology. It is envisaged that the field could need as many as nine small-drilling platforms and two production platforms.

All this indicates that the offshore gas industry will play an important part in meeting Britain's energy needs for several decades to come.

Ray Dafter

YOU HAVE TO HAND IT TO THEM!

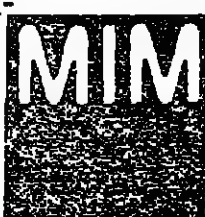


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To all Senior Managers. Ten things you can do about energy efficiency in the next four hours.

By Gordon Wootten, Venture Manager, Shell Energy Management.

1. Draw together a small group of people, within your organisation, who have the range of skills – engineering, building and financial – necessary to form an energy conservation group.



2. Agree a brief to prepare a report within twenty days, which answers the following basic question:

Is the equipment we have, working as efficiently as possible, especially in heating and ventilation?

3. Meet with plant manager and production controller. Ask them to provide, within a week, a maintenance schedule with recommendations as to how it could be improved or amended to save energy, and how much, and ask them to examine the current production schedule with a view to removing energy peaks (steam, electricity and compressed air for example) and advise the group accordingly.

4. Dictate a note to all staff, advising them of the need to save energy, the steps you have taken and asking them to play their part in switching off lights, plant and machinery whenever possible; and particularly during work breaks.

5. Ask the accountants to provide the information needed to monitor your energy consumption and work out targets for improvement.

6. Contact the Department of Energy and ask to be placed on their mailing list for all information on energy conservation.

7. Write to the manufacturers of your plant and machinery and ask if they have

developed any improvements which can be applied to your equipment to save energy.

8. Walk around your premises and take a note of:

(i) Any area where you feel the temperature may be too high.

(ii) Any leaks of steam, hot water and compressed air.

(iii) Any broken windows, self closing doors which don't close automatically, any roof lights which are broken or seized open.

On return to your office issue instructions to effect the necessary repairs immediately as there is almost no repair cost which will be more than the savings achieved.

9. Contact the transport manager and ask him for his views concerning the size of your transport fleet, and the fuel used in an ideal situation; to give you the basis of a re-appraisal of your policy on group transport (and don't be surprised if he advises you to change to a MINI).

10. Send for this free Shell study. Improved Energy Efficiency is a booklet which goes more deeply into the use of energy and how you can save it. If you would like a copy, please post the coupon.

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OFFSHORE EXPERTISE VI

Helicopters now essential

WITHOUT THE helicopter it is probable that the pace of development of the North Sea oil and gas industry—and, indeed, other offshore developments in other parts of the world—would have been much slower than it has. While much of the heavy equipment for the rigs was, and still is, carried to the sites out at sea by surface vessels, the helicopter has been used increasingly as the means of keeping the rigs regularly supplied with men and more easily transportable food and materials, and it is now an indispensable adjunct to operations offshore.

In fact the two industries—oil and helicopter—have benefited mutually, for the severe technical and operational demands that offshore transport have made on helicopter technology have in turn forced the pace of rotary-winged development, generating a much keener awareness by helicopter manufacturers of the need to improve the size, range and fuel efficiency of their vehicles. As a result, new civil helicopter designs have emerged more swiftly than might otherwise have been the case.

Today the story of developing offshore expertise in air transport remains very much the story of the helicopter, although fixed-wing aircraft also play a substantial role in ferrying men and materials from the mainland airports such as Aberdeen, Edinburgh, Inverness and Glasgow, to the transfer points such as Sumburgh, Unst, Scatsta and Kirkwall, for example, where they can be moved on to the helicopters for the final stages of the journey out to the rigs and platforms.

All along the east coast of

Britain, what were once small and in some cases comparatively quiet airfields have become major transit points as the North Sea oil and gas industries have developed. It is estimated that upwards of £50m has already been spent on the development of airfields to serve the North Sea industries, while probably as much if not more again has been spent on the landing, platforms on the rigs themselves, with all the associated developments of radar and navigation aids, and complex air traffic control systems to cope with the rising volume of traffic.

As with the facilities, so with the companies using them. It is estimated that there are now more than 30 helicopter companies, large and small, engaged in some form of oil industry related activity, whether on regular long-term contracts servicing the rigs and platforms or on simple ad hoc passenger charter work up and down the east coast or elsewhere in the UK.

Workhorse

The two biggest companies in the business are Bristow Helicopters, with a fleet of about 60 aircraft, including 28 of the twin turbine engine Sikorsky S61s (the workhorse of the North Sea helicopter industry) and ten of the 10-seater French Puma transport helicopters, and British Airways Helicopters, with a fleet of 33 aircraft, in service or on order, including 28 of the S61s.

British Airways Helicopters has on order three of the big Boeing Vertol commercial Chinook, a twin-engine giant

that will be able to carry up to 44 passengers over distances of 650 miles, or carry a payload of 12½ tons. These aircraft are due for delivery in late 1980 and early 1981. These helicopters promise to revolutionise the transport of men and materials from the mainland sites such as Aberdeen to the furthest rigs at sea. British Airways has also ordered three of the new Sikorsky S-76 12-14-seater helicopters.

The extent to which the helicopter has become a major element in the daily life of the North Sea can be gauged from the fact that British Airways Helicopters alone is making about 120 flights a week to and from Sumburgh Airport in the Shetlands, about 80 flights a week to and from Aberdeen, and about 50 flights a week to and from Bristow's base at Kirkwall. So substantial has British Airways Helicopters' activities become that it is seeking permission to build its own major helicopter terminal at Bridge of Don, near Aberdeen, for North Sea work, a plan which so far has been blocked by environmental and other planning objections in the area concerned.

So significant has air transport become to the North Sea that the Civil Aviation Authority, which owns and operates Sumburgh Airport in the Shetlands, has just completed a further £18m development programme there, bringing to more than £20m the amount spent on that airport in recent years. The new Wils Ness helicopter terminal and other facilities there include a new helicopter runway, separate parking aprons to accommodate 24 helicopter stands; additional

fixed-wing aircraft parking; and new taxiways.

Sumburgh is the fastest growing airport in Western Europe, almost entirely because of the growth of the oil industry. From 71,000 passengers in 1972, activity has risen to close to 700,000 passengers last year, with the 1m mark likely to be reached by 1980 if not before. Helicopter transport accounted for over 370,000 passengers last year, aircraft movements have risen from 8,100 in 1972 to close on 51,000 in 1978, of which nearly 27,000 movements last year were by helicopters. Freight has risen from 205,200 kg in 1972 to reach over 1,950m kg in 1978, and is still rising.

Also in the Shetlands, at Baltasound, is Unst, which began as a small social service airfield built by the army in 1967-68, but which has just been developed at a cost of about £1m to serve as a more forward base for helicopter transfers to and from the rigs, as oil development and production itself moves further north up to, and probably beyond 62 degrees north, and to the west of Shetland.

Owned by the Shetland Islands Council, Unst has been developed by a consortium of oil companies, headed by Chevron and including BIOC, Unionoil and Shell. There is now a new terminal building, aircraft parking area, control tower, offices and other facilities for both fixed-wing aircraft and helicopters. The one runway is only 1,230 ft long, and so is, at this stage, suitable only for light aircraft such as Twin Otters and Islanders and Trislanders aircraft. But as a result of these developments, traffic at Unst which amounted to 25,700 passengers last year, or nearly 2,700 movements, of which over 900 were by helicopters, is expected to rise substantially.

A joint company, Technical Support Services (Unst), has been set up by the Shetland Islands Council and Airwork Services, with the Council owning 51 per cent, to run the airport. Management is in the hands of Airwork Services. The cost of the joint venture will be borne by the oil companies using the airport. Helicopter services at Unst are provided by Bristow Helicopters, while Loganair flies the fixed-wing services. Further developments at Unst are envisaged as more companies move in, entailing the use of perhaps

larger aircraft and the establishment of major base facilities such as engineering maintenance and hangars.

Another Shetlands airport, which is also developing rapidly under the stimulus of the North Sea developments is Scatsta, at Sullom Voe, where the first landing was made in July last year and where no less than 42,600 passengers were handled in 1978, from 1,798 aircraft movements. Most of these passengers were on oil-related business, although Loganair also uses Scatsta on its inter-island scheduled air services. Over £2m has been spent at Scatsta to enable BAe-748 twin-turboprop aircraft to fly in men and materials from Glasgow and other mainland airports.

A novel idea for a floating airport to serve the oilfields in the East Shetland basin has been proposed by Seaforth Maritime, the Aberdeen-based offshore support and engineering company (which was recently awarded the main contract for the design, construction supervision and operational management of the new Shell-BIOC multi-functional support vessel for the North Sea).

Seaforth, which has been working on its concept for over a year, suggests a design for

a "Seaforth Support" that would be based on a purpose-built semi-submersible platform structure offering good stability characteristics. It would have a runway almost 2,000 feet long and over 230 feet wide, designed for use by such types of aircraft as the new Boeing-747-400, the Airbus A300, the Lockheed L-1011, the Conquestor, the Boeing-707, the Boeing-737, the Boeing-747, the Boeing-767, the Boeing-777, the Boeing-787, the Boeing-797, the Boeing-807, the Boeing-817, the Boeing-827, the Boeing-837, the Boeing-847, the Boeing-857, the Boeing-867, the Boeing-877, the Boeing-887, the Boeing-897, the Boeing-907, the Boeing-917, the Boeing-927, the Boeing-937, the Boeing-947, the Boeing-957, the Boeing-967, the Boeing-977, the Boeing-987, the Boeing-997, the Boeing-1007, the Boeing-1017, the Boeing-1027, the Boeing-1037, the Boeing-1047, the Boeing-1057, the Boeing-1067, the Boeing-1077, the Boeing-1087, the Boeing-1097, the Boeing-1107, the Boeing-1117, the Boeing-1127, the Boeing-1137, the Boeing-1147, the Boeing-1157, the Boeing-1167, the Boeing-1177, the Boeing-1187, the Boeing-1197, the Boeing-1207, the Boeing-1217, 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THE ARTS

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Television

True confessions of an adman

by WINSTON FLETCHER

Being an adman, my company provides me with a TV set on which to watch my competitors' little 30-second spots. Last week, after optimistically gazing at ITV's less than gripping blue card for a couple of evenings, I switched over. This dangerous confession of a tax dodger has been provoked by the BBC's clodhopping inquiry into advertising. The Persuaders. If my taxman has been following the series he will already have been informed that my set is a perk which constitutes one of the main rewards of marketing. Doubtless he will calculate the value of my week's illicit BBC viewing, and a gigantic tax assessment will soon be winging its way through my letter box.

Taxman be warned: I shall fight. If there were any justice in the world the boot would be firmly on the other foot and the BBC would be paying me—paying all of us—compensation. The strike has destroyed forever that hoary old intellectual myth about the superiority of my programmes; touchingly, if somewhat astonishingly, ITV's absence has made almost everybody's heart grow fonder.

The Persuaders itself has been a wonderful commercial for the commercial channel. The series awe-inspiringly achieves the unusual coup of being simultaneously condescending and naive. Egotists and boring programmes come alive only when the ads they so much despise appear on screen. Hence last week's programme on sports sponsorship—which unappetisingly lacked commercial footage—may well have smashed the world's all-comers' armchair smoking record.

Before I go on about The Persuaders I should perhaps declare an interest. Some months ago a lady from the BBC telephoned to inquire whether I would appear on the programme and discuss subliminal advertising. Subliminal advertising comprises ads flashed on a cinema or TV screen so fleetingly that they cannot consciously be seen; their efficacy is highly dubious; and following research tests in the United States over two decades ago they were universally banned.

What subliminal advertising? I therefore asked the BBC lady, "There isn't any?" "How can you be sure?" she responded. "You wouldn't be able to see it if there were."

A metaphysical point which Descartes himself would have found hard to refute. "Who would be transmitting subliminal advertising?" I asked numbly. "ITV." It's against the law. Pearl and Dean? Or are you suspicious the BBC may

be broadcasting insidious Coke commercials and earning clandestine revenue from the CIA? "So you refuse to appear on the programme and talk about subliminal advertising?"

"What subliminal advertising?" I asked. "There isn't any."

"How can you be so sure?" she responded. "You wouldn't be able to see it."

This marshmallow dispute meandered on for some 15 minutes; at the end of which I was fairly, if foolishly, convinced that my interrogator had understood that subliminal advertising does not exist.

Imagine my astonishment when, in the first Persuaders programme, the representative of Levi's jeans (in response to a question which had been naughtily edited-out) was to be heard denying that his company's exceptionally visible commercials were in any way subliminal. Nor was that the end of it: the mythical beast has raised its invisible head more than once in the succeeding programme.

Why? The majority of the Persuaders viewers—it goes out at peak-time on Thursdays—can have little inkling of what subliminal advertising is. The programme's producers don't seem too clear themselves, come to that; but they know it to be an emotive, controversial word and so drag it into the proceedings willy-nilly, at every opportunity.

Driven by dizzy desire to be provocative right from the start, The Persuaders began by rushing in with an elephantine error. Manufacturers, it was shockingly stated, spend £1,800m a year on advertising. What a whopper! Manufacturers spend less than half that. The majority of advertising expenditures goes into Government public service publicity, retail advertising, recruitment, and tiny classifieds. None of which have been deemed worthy of even a passing mention in the five programmes to date.

On the other hand headbutting ("The advertising business is a jungle, and every jungle has its headbutters"), though hardly unique to advertising, merited a suspiciously large slug of programme time. Why? Not merely because it allowed the embarrassingly gauche Charlotte Allen to crack-spallingly ("This is when the jungle drums really begin to beat"); but because a headhunter ("The Queen of the London jungle") had been trapped into admitting that adfolk gets perks—like my TV set—from their jobs.

Perhaps because the loftily money is important when marketing people move from one job to another. This may be a shock to Miss Allen, but is unlikely to be a startling revelation to members of the T and GWU.

Nor, sadly, were such blinding glimpses of the obvious restricted to The Persuaders last week. Tuesday's documentary on Young Love, burgeoned with deathless truisms, as though Shakespeare had never written the Montagues and Capulets; as if indeed nobody had ever discussed the subject before at all.

Young Love also raised the more intractable and recurrent TV reporters' dilemma of how far it is justifiable to broadcast film which may cause painful embarrassment to those who—admittedly of their own free will—have guilelessly confessed in front of the cameras to something that should have been kept private. In Young Love an elderly lady discussed her husband's sexual inadequacies rather more candidly than he

could possibly have wished; I was very glad not to have to be in his shoes in the factory car-park on Wednesday morning.

For an object lesson in how to fend off intrusive questions, Sir James Goldsmith's Person-to-Person performance was a gem. Hostile to what he called our "see-through society," Goldsmith simply refused to answer

post-rationalised this into the conviction that they have only done a topnotch investigative job if the participants scream Rotten Foul! as soon as the programme appears.

Indubitably The Persuaders team will persuade themselves that my tetchy criticisms prove conclusively they have scored a mini-Watergate. It is not



David Tindall and Charlotte Allen, presenters of "The Persuaders"

those of David Dimbleby's questions which he considered improper. To which must be added the rider that Dimbleby's interrogating technique is rather gentle. Throughout the Person-to-Person series he has allowed his guests a little too much freedom to say what they like and get away with it. He is no picador, his questions never really pierce the skin. It would be fascinating to see whether Sir James could have deflected John Freeman's far more incisive Face-to-Face questionings of yesterday.

Sir James, we may be sure, was in no way embarrassed by his television confessions the next morning; however in this as in so many other things, he is an exception to the rule. One of the many crosses which poor misunderstood TV reporters have to bear is that everybody in the world wants desperately to appear on the box so they can afterwards complain bitterly of having been misrepresented.

Perhaps to assuage their conscience, many TV people have necessary, however, to make every documentary into a Shock Horror Probe—as Barry Norman so delicately proved in his marvellously cool and balanced Hollywood Greats profile of Marilyn Monroe on Friday night. Unlike the adpeople in The Persuaders, I suspect that if Marilyn was lucky enough to see the film on the great 625 screen in the sky, she will have considered it factual, fair and friendly.

The simple truth is that Barry Norman really knows and understands his subject; whereas when callow reporters chase invisible iniquities they end up with such astonishing discoveries as that admen get company TV sets.

ground and molesting Gertrude. But in the main this is a strong physical performance, well spoken, with distinct Gielgudian inflections. Jacobi manages a conversational approach which works splendidly when he delivers "to be or not to be" as an argument with Ophelia rather than as a soliloquy.

The rest of the cast shout out their lines to the rain. Jane Wymark is obviously school hockey captain material as Ophelia, and Terence Wilton a tough Laertes. Only Robert Edlison as Polonius goes in for sensitivity: he must have been the odd man out in this raucous court, led by a Claudius in Julian Glover with a no-nonsense authority. There is, perhaps, an Elsinore tradition of realistic Hamlets, verging on the naturalistic. It succeeds well enough, but in the quest for marrying text and setting some attention might cover small details—Ophelia in her mad scene wore a disconcerting bra and when Laertes very visibly scored on Hamlet in the fight not a trace of red managed to show. But as a vivid and dramatic experience Hamlet at Elsinore would be hard to better.

Hamlet at Elsinore

by ANTONY THORNCROFT

Laurence Olivier, John Gielgud, Michael Redgrave and Richard Burton share one particular dramatic experience: they have all played Hamlet at Elsinore. Now Derek Jacobi has joined this very select club. The Old Vic Company is in Denmark, as part of an arduous world tour, and is coping with the problems and pleasures of portraying the drama at the scene of the crime.

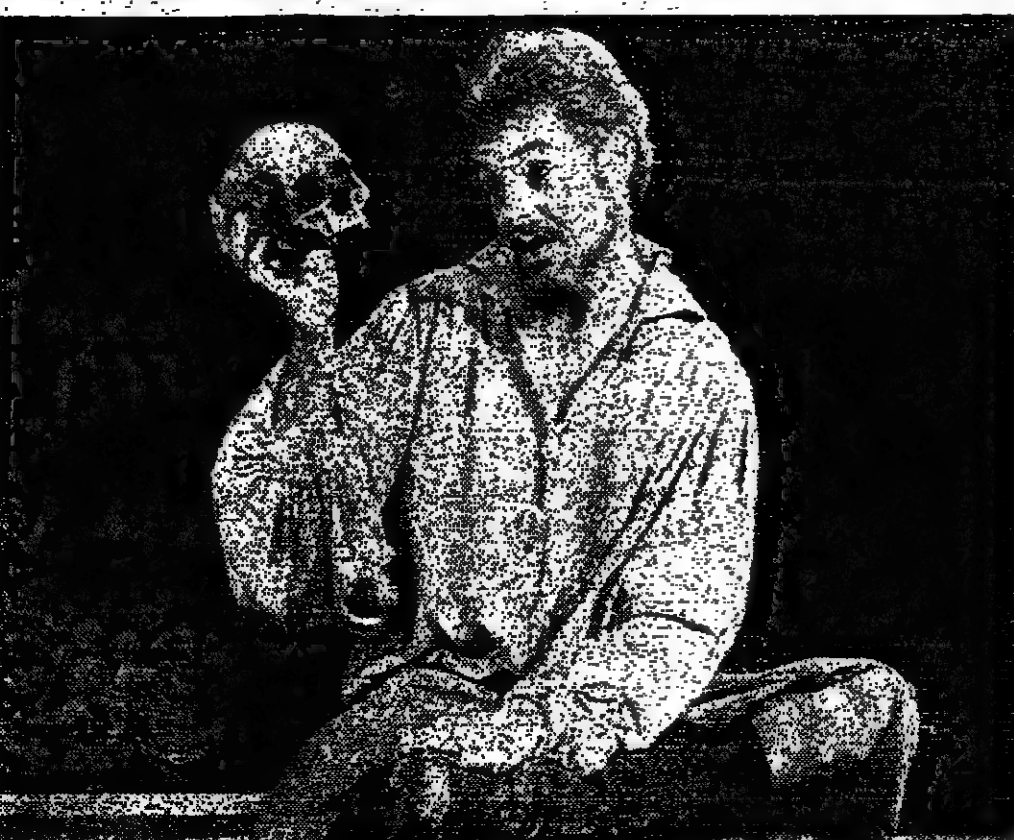
Kronborg Castle at Elsinore plays its part magnificently. It is a full-blown Renaissance structure, but with an austere northern air which could easily produce melancholy if not madness. Although the Hamlet legend in Denmark relates to an obscure Jutland prince from a period dark in the last centuries of the early Vikings the play has been conventionally performed in a Jacobean setting; indeed the action drama is set in Kronborg Castle. Perhaps it is too type cast with its towering walls set against the sea; its deep moats and its high plan courtyard, it is still used as a military establishment awaiting a latter day Fortinbras, and the Danish Government naturally keeps as tight a control on goings on in the castle as Claudius. This restricts a free flow in the production of Hamlet.

So Francisco is perambulating half way up the courtyard walls rather than on the battlements when Bernardo relieves him from the front stalls. For the seating, for 2,000, has been structured in the courtyard, leaving the company with the space of only one side for movement. This is very irksome in the Ghost scene. The frightened group on the thrust stage shout out to the spectre on the battlements but when the less than fearsome apparition materialises it is in very human form and comes along the same balcony lately vacated by Francisco.

We have, then, a tremendous backdrop but a limited playing area. Oddly enough the rain, an apparently reliable natural adversary at Elsinore, helps to rebuild the atmosphere. On the opening night it abruptly terminated the performance, but last Thursday it restricted itself to showers and one downpour during the play scene which enabled the audience to crackle into their plastic shrouds (courtesy of a Danish bank) without missing too many lines. The experience was also intensified by the Old Vic giving an extravaganza, blood and thunder production.

Subtlety would be out of place before a foreign audience, even a Danish one which obviously knew the play by heart and thoroughly appreciated the event. The extensive cuts in the text also forced on director Toby Robertson a simple production. This approach has its attractions. It keeps the action moving and distracts the attention from the inconsistencies in the play. And it allows Derek Jacobi to create a Hamlet in the bravura tradition.

Sometimes the hysteria gets out of control. In the closet scene with his mother Hamlet is almost demented, poring the



Derek Jacobi, and Yvonne Raine, at Elsinore

Albert Hall/Radio 3

Gamelan Prom by RONALD CRICHTON

Friday's Prom was a rare mixture, awarding the Sasono Nulio Gamelan Orchestra of Surakarta the place of honour in a setting of Western music showing some signs, in colour, texture or approach, of Eastern influence. The Indonesian visitors performed an introductory piece followed by three dances, one of welcome (announced as "for one female" but done by several arms undulating like soft branches), a male combat dance sung by the two dancers, then another combat piece for a female soldier and the commander of a woman's army.

The Albert Hall, host to hundreds of folkdance festivals in its time, is a surprisingly effective background for so ancient and sophisticated an art as the gamelan. Obviously, tiny details of gesture and movement are lost except to those at the front. But the general impression, with the dancers in shimmering costumes, gyrating and prancing in front of the seated players, was ravishing. So were the sounds made by those players, the mewing of a stringed instrument cutting like a sharp blade through the full yet liquid

sound of drums, gongs and various spels. One or two effects were theatrical in a familiar way—the crescendo leading to the first appearance of the dancers, then the moment when the players in the centre turned inwards to face one another across a second set of instruments.

Now that the experiment has been tried, another time the visitors might be given a whole half of a Prom. The programme on this occasion was devised with great intelligence, but the confrontation of two cultures was in practice less interesting than the worth of each work or group of performers. It might even have been more instructive (assuming instruction to have been an object) if the London Sinfonietta under Simon Rattle had played Western music with no Oriental associations at all.

As it was, the *Mirror of Whiteness* of Maxwell Davies, with its slow ending of increasing intensity and refinement, Ravel's *G major Piano Concerto* and the *Trois Petites Liturgies* of Messiaen each made

a strong individual contribution. The soloist in the Ravel was Paul Crossley, admirable for control and concentration in the slow movement and finale (the latter exact without becoming merely mechanical), a fraction too yielding in the second tempo of the first movement, where he clouded the short cadenza with pedal. The razor edge of an orchestral part was brilliant if not absolutely secure.

Messiaen's *Liturgies* were radiantly sung by the women's voices of the BBC Singers. Jeanne Loriod presided at the Ondes Martenot. Paul Crossley and Stephen Pruslin vied with one another in crispness and clarity at piano and celesta. The piano won, being open and nearest the audience. In spite of this small error of judgment, the performance was one of extreme eloquence, with the acuity and sympathy Mr. Rattle and the Sinfonietta brings to a wide range of styles, illuminating the music so searchingly that one is in danger of forgetting to do justice to the interpreters.

Edinburgh Festival

Alicia Alonso by CLEMENT CRISP

The National Ballet of Cuba has at last reached Britain—our thanks to John Drummond for bringing off this coup—and we can see a company which has, in less than two decades, achieved an international reputation. Most happily, its first performance on Monday night featured the woman to whom Cuba owes its ballet: Alicia Alonso. No stranger to us in the early 1950s, when she was a star of American Ballet Theatre, Alonso today is a last and glorious example of the traditional Western prima ballerina. Her Giselle has long been famous and in this proud autumn of her career it remains a grand exposition of the art of the assoluta. Illuminating the role, compelling our admiration and belief by an authority of utterance which transcends any considerations save those of her command of the role. About the production, which is by Alonso, comment should more justly wait until we can see it in a proper theatrical setting: I will but note that the second act is superior to the first in matter of staging because of its romantic sense and clarity.

But about Alonso's interpretation much must be said. It is a reading clearly placed in the

great line from Markova through to Spessivtseva. In both acts Alonso has attained that utter simplicity which informs great theatrical art. The peasant girl is drawn with the softest of strokes, a tender creature whose madness is gentle but nonetheless piercing in its sadness. Marvellous the force of her gesture—an arm stretched out to Albrecht speaks of all the girl's grief and agony of mind; entirely eloquent the way she sketches in a movement to recall her former happiness; heart-stopping the dulcet way she melts into death.

In Act 2 the tone of Alonso's dancing may now not rise above a mezzo-forte, but with what exquisite finesse does the dance flow into the night air. There may be some husbanding of technical effects, but movement is done with such

sensitivity that the amended text seems almost preferable to the bolder dynamics we are used to. And throughout, Alonso's dancing has a pearly lustre: drifting in arabesque in Albrecht's arms, she is absolutely Gautier's heroine: beating a flawless sequence of *chappés*, she is mistress still of the dance manner that best suits the Romantic style. And by her absolute comprehension of the matter of *Giselle*, Alonso tells us more about the ballet than almost any other interpreter today. She is a great ballerina, a great artist.

From Jorge Esquivel a large-scaled and noble reading of Albrecht, sensitive to the drama, responsive to his Giselle as partner. From the Cuban corps a vivid account of their various roles, and dancing strong and eager in manner.

Opening in the autumn

Michael Codron is to present two new West End productions in the autumn. *Tishoo*, a new play by Brian Thompson, starring Alec McCowen and Penelope Wilton, will open at Wyndham's Theatre on October 24 after playing at Richmond

Theatre for two weeks from October 9. Alan Bates is to star in *Stage Struck*, a thriller by Simon Gray, which will open at the Vaudeville Theatre on November 20.

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'Close of Play' to visit Bath and Dublin

The National Theatre production of Simon Gray's play, *Close of Play*, now in the Lyttelton repertoire, is to visit two cities during October. From October 1, for one week it will be seen at the Theatre Royal, Bath; and from October 8, for one week at the Olympia Theatre, Dublin (as part of the Dublin Festival). After nearly 600 performances, the NT production of Alan Ayckbourn's *Bedroom Farce* is to end on September 23. It opened at the NT in March 1977 and transferred to the Prince of Wales Theatre in November 1978.

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Fed on the attack

FOR THE first time since last November, it is possible to detect the snarl of Irish monetary policy in the United States. The Fed's reaction to excessive monetary growth and to the renewed weakness of the dollar has been by its own standards fierce. The Federal funds rate was pushed up by more than three quarters of a point in a day, bank prime rates reached new highs, and the dollar stabilised against most currencies—apart from sterling. This market action, for more than the earlier rise in official discount rates, will help to convince doubters that the arrival of Mr. Paul Volcker as Chairman does mean a substantially new approach.

Steady rise

The change is unhappily very long overdue, and it is still a very open question how long it will take to have a real effect on the stability of the dollar. Until now the markets have been convinced at every stage that the Fed would soften at any moment. The reverse yield curve which is still something of a novelty in London has ruled throughout the steady rise in short-term interest rates.

This is the badge of an ineffective policy in defence of a weak currency. Credit policy has three aims: to check inflationary psychology; to discourage credit expansion; and to attract inflows. Dollar policy has failed on all counts, simply because the markets have never been persuaded that high rates represented more than a temporary peak. Long rates, the real attraction for any but the most transient capital flows, have remained too low to have any effect.

Inventive

The results of British experience is any guide, is that rates will now have to reach a higher peak than would otherwise have been necessary to produce the same result. The long upward creep of rates has simply conditioned the markets to ignore them, and have scarcely even kept pace with inflationary expectation until now. It is only at this point, when there is some hope that the inflation rate, in the U.S. may fall significantly from its present 13 per cent annual rate, that credit begins to look potentially dear in real terms.

Weeding out the quangos

"IF QUANGOS did not already exist, they would have to be invented," asserts a trades union broadcaster published yesterday in defence of the hundreds of "quasi-autonomous non-government organisations" which have been spawned over the years by various acts of Parliament and Government decisions. The quangos exist on the fringes of the Civil Service, often performing tasks of which the public neither knows nor cares. They are particularly attractive targets for cuts in public spending and the Government has made no secret of its hostile attitude to quangos.

Review

On Monday it was announced that Sir Leo Pliatzky, former Second Permanent Secretary at the Treasury and the inventor of cash limits, is to conduct a detailed review of all the quangos. Sir Leo's review may turn out to be disappointing for the quangos' most violent detractors. As Britain's leading expert on the control of public spending, he is likely to confirm the claim made by the unions that many of the quangos perform vital functions that would otherwise have to be carried out directly by Government departments.

Abolition of organisations such as the Civil Aviation Authority, the Forestry Commission, the Atomic Energy Authority and even the Manpower Service Commission would, simply shift important work to the relevant civil service department. Eliminating the functions performed by many of the major quangos would involve serious decisions of public policy, which need to be taken on their merits and certainly not on grounds of economy alone. The fact that air traffic happens to be regulated by a quango obviously does not make this task less important than if it were performed by a government department. It is doubtful whether simply transferring the CAA's duties to the Department of Trade would produce any significant administrative savings.

Many of the quangos which do not perform governmental functions still provide little scope for easy cuts in public spending. The quangos which make the heaviest demands on the exchequer, such as the University Grants Committee and

One reason for this sorry record is that the Fed has been far too ready to believe its own monetary statistics, despite the large outflows into foreign reserve holdings of dollars—dollars created within the dollar banking system—and the endlessly inventive ways the banks have found to create liquidity outside the official definitions.

As a result, the system is still highly liquid, despite an apparent squeeze which has been in force for nearly 10 months. The Fed's aggressive market operations are now beginning to mop up this liquidity, but there is no sign yet that money market conditions are tight enough to drive borrowers into long-term markets. The rather depressing conclusion is that short rates will have to remain high, and possibly rise higher, until long rates have responded. It has still to be established whether Mr. Volcker will be allowed the independence to pursue such a policy to its logical conclusion in the run-up to the election campaign. Yet unless this is done, the dollar will remain vulnerable as the surplus countries seek more attractive opportunities for long-term investment.

Volatile

Of course, interest rates are not the only indicator of official policy, and the statement from Mr. Anthony Solomon giving guarded support to the idea of a substitution account in the IMF to help dollar-holders to diversify is again a sign that the real nature of the problem is now recognised. Again, however, the practical approach seems tentative. Mr. Solomon speaks of a facility of "at least" \$1bn. If the facility is intended as a serious operation rather than a token, there seems to be a long way to go.

Meanwhile, U.S. actions and statements have done nothing to check the renewed rise in sterling. This reflects two facts: the visible fact that long-term interest rates in London remain highly attractive to any investor who is not downright pessimistic about the pound, and the hidden influence of the North Sea, and possibly of an economic slowdown, on the current account. We have some more awkward policy corners to negotiate before we expect to see our own currency less volatile.

The Science and Medical Research Councils are little more than conduits for public funds, which ensure that the recipients can maintain some independence from the government. The same is true for the largest quango of all, the British Broadcasting Corporation. Any sweeping attack on quangos must be restrained by the importance that has traditionally been accorded to the independence of academic institutions and broadcasting.

It is probable that a large proportion of the quangos fall into one of the above categories and therefore do not, on the face of it, deserve treatment harsher than that accorded to the public sector generally. The eight major organisations mentioned so far account for over 70 per cent of the total funds spent by all quangos. So the savings from a wide-ranging review of the quangos are likely to be very much smaller than the aggregate figures of spending by quangos suggests.

Nevertheless there are at least three types of quangos which need to be critically re-examined. Many quangos exist largely to conduct research projects which could often be better done by universities or private research institutions, if necessary with Government funding. Quangos that represent special interest groups, such as customers of nationalised industries, are frequently duplicating private sector organisations partly because their statutory limitations prevent them from doing the job that consumers require.

Talking shop

In some ways the most dubious type of quango are the "talking shops" which exist to bring together trades unions, industrialists and the Government. While tripartite discussions are often valuable, it is at least questionable whether some of the detailed research commissioned by the sector working parties should be funded by the Government, rather than by trade associations and whether highly-skilled and expensive secretaries are really required to promote dialogue in industry. Above all the basic assumption which is behind the existence of many of the quangos, that setting up a committee can solve a deep-seated problem, needs to be overturned.

THE GOVERNMENT'S SECURITY DILEMMA

BY STEWART DALBY IN DUBLIN AND RICHARD EVANS

The IRA banks everything on increasing violence

IN the aftermath of the horrifying murder of Lord Mountbatten, members of his family and his Irish boat boy as well as 18 British soldiers, one important message has tended to be overlooked.

This is the text of the Provisional IRA's communiqué late on Monday claiming responsibility for the murders. The British army, it said, had acknowledged that after ten years of war it could not defeat the IRA but the British Government continued with "the oppression of our people and the torture of our comrades in H-block," of the Maze prison.

The statement continued: "for this, we will tear out their sentimental imperialist heart."

The Provos have made good their boast that one day they would escalate their activities into what they term "spectaculars." It implies that just about a year or so after their reorganisation and change of tactics they have arrived at the same strategy as their ruthless progeny, the Irish National Liberation Army (INLA), and that regardless of any future tightening of security more "spectaculars" from both groups are probable rather than possible.

Monday's murders are the most dramatic and brutal in one single day since the troubles started again ten years ago but there could be more of the same on the way.

Middle East links of INLA

The INLA is an offshoot of the Irish Republican Socialist Party (IRSP). This, in turn, is a splinter from the Official Sinn Féin, which is the political wing of the Official IRA. The Official IRA became Marxist in orientation and the Provisional Sinn Féin and Provisional IRA split off from it in the early 1970s, and eventually became bigger and more powerful.

The Provisional IRA has remained nationalist in character. It wants the reunification of the two parts of Ireland and as a precursor to this the removal of the 13,500 British troops now in the Province. These it views as a colonial army of occupation.

INLA retains something of the Marxist stamp of the old Official IRA. Militarily it is much smaller than the Provos. It probably has 50 to 70 active cadres, according to police and army sources. It has had close links with Middle East guerrilla organisations as well as the Basque ETA group. Some of its members have received training from the Middle East groups.

It has shown great sophistication in its operations. The group blew up and killed a policeman with a complex car bomb, and then murdered Mr. Airey Neave, the then Conservative Opposition spokesman on Northern Ireland at Westminster. It had some involvement in the murder

of the British Ambassador to the Hague, Sir Richard Sykes. This policy of killing important Britons, in order to get its cause on the front pages of British newspapers, seems to be the main thrust of its strategy. INLA has links with the Provos but operates independently.

It now seems likely that the Provos have adopted the same course. This stems from the Provos' change of direction which was started just over two years ago.

At that time, the Provisional IRA in terms of security and structure was a cumbersome, not very effective street army. Violence was often indiscriminate, included the killing of innocent Roman Catholics in the main cities of Northern Ireland. It was organised into brigades and battalions which were "leaky" in the extreme.

When Mr. Roy Mason became Secretary of State for Northern Ireland in October 1976, he had two priorities. He wanted to tighten security and defeat the IRA, then ameliorate the economic situation by huge spending on job creation. He dealt little with the politics of the Province, sterile since the abrogation of the devolved Stormont Parliament in 1973.

In the security sphere he allowed the four-man Special Air Service (SAS) units to operate across the Province. He tightened up on intelligence and interrogation and tried to strengthen the predominantly Protestant Royal Ulster Constabulary. There was a growing feeling that the security forces were winning and, by mid 1978, that the Provisional IRA was beaten. But it was not.

The Provos had gone underground. They adopted a cellular structure of four-man active service units. Often each man in a cell knew only the other three. The leader of the cell might know one leader who gave him his orders.

The Provos' security improved enormously and arrests dropped. They developed their anti-interrogation techniques and forged links with guerrilla groups abroad, in terms of bringing "H" block, where Provo members condemned for terrorist crimes are held into the public gaze, their publicity machine acquired new tricks.

Their activities started up again in November, 1978. They have bombed economic targets by which they mean shops and factories. In the main, however, they have attempted to kill members of the security forces, in ambushes of growing complexity. The reorganised Provos have until now by and large tried not to kill civilians. They learnt a lesson from the first bombing of the Lanyon Restaurant outside Belfast in February, 1978, when 13 people—mostly Roman Catholics—were killed. This cost them a great deal of sympathy among the Roman Catholic population.

For the time being, however, the security forces, British soldiers, members of the Ulster Defence Regiment and RUC, have been a great help to the British people behind their Government and instil determination to stay in the Province. The Provos would say that history is on their side.

The Provos would argue that it was only when the British people, after World War I became so horrified by the intensity of the violence in Ireland that the British Government finally came up with partition and the Government of Ireland Act.

To arguments that the Provisional IRA is a small minority and risks losing what sympathisers it has through senseless killing, it would reply that when the leaders of the 1916 Easter Rising were led away by British



Rescue operators bring one of the bodies ashore after the explosion on Lord Mountbatten's boat on Monday.

have been killed compared with 31 last year.

The Provos have always said they would escalate into "spectaculars" if necessary. In an interview in Dublin's *Magill* Magazine last August, an anonymous spokesman from the Provos' Military Council said the organisation would keep the option of striking at British targets if necessary wherever and whenever they found them. This meant they would try and kill important Britons wherever they might be as well as bomb important targets in Britain (the attempted attack on Canary Island all terminal is the case in point). Their reasoning for this course is as follows:

The Provos want to get the British troops out of Northern Ireland. They feel that the only way to do this is to make the Province an issue for the British people, to make them so sick of the Irish problem that they will exert pressure on their elected government to bring home the troops and break the Union.

To arguments that acts of violence like the murder of Lord Mountbatten will only reunite the British people behind their Government and instil determination to stay in the Province, the Provos would say that history is on their side.

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soon became financially independent of the SWP and has prospered — the current upheavals apart — to the point where it is now probably the most successful "far left" publishing house in Britain.

Never since Noah

At last comes the chance to believe what you read about Andorra in this column. The mountainous principality is, I hear, contemplating the purchase of its own oil tanker, so that it can buy crude directly from an OPEC country. It is not yet clear whether a tanker will be acquired with a complete crew, or if the versatile Andorrans themselves will take charge.

Apart from pacifying those holding the lucrative oil company agencies, the Andorran Government faces another potential problem of its own making. To date only road-transportable boats can carry the Andorran flag, as they must—like any other conveyance—be presented at the national fire station to be registered.

This is a strict rule. A partner in CISA, an Andorran property company, tells me one of his clients was instructed to present his 80 ft motor cruiser in the normal way. He protested that the boat was far away, down on the sea. "Hire a lorry," an official at the fire station suggested helpfully.

Good news first

Tyne Tees Television has sent a charming note to one of my colleagues, thanking him for "standing by" to appear on a programme called *Face The Press*. In the event of course, I remained blank, apart from an apology. "However, we shall be sending you a cheque as a stand-by fee," the letter continues. "Unfortunately our accounts staff are now also on strike."

Pluto's tears

Even revolutionary publishers must live with the harsh facts of western economics. Yes, normal old capitalist problem. I was told by London's Pluto Press when I asked about the recent sacking of four of its 11 employees. It seems that Pluto's American distributors went bankrupt, owing Pluto around £50,000, so the only remedy was to send out some redundancy notices.

"Very, very unfortunately, some people have had to go," says Michael Kidron, a leading member of the Workers Revolutionary Party, who grins his teeth before admitting that he is—"I suppose"—a director of the company. "I also answer the telephone."

Reports of picketing outside Pluto's offices are, Kidron assures me, incorrect—although there has been "a certain amount of disagreement about the analysis of the situation." The old capitalist ploy of opening the books to the workers has helped ease the anguish. Set up in 1969, Pluto Press

Secretary of State for Northern Ireland, has said he thinks the IRA can be defeated. So perhaps he is contemplating changing the rules. But he has already rejected internment without trial for selected known "godfathers." He was pressed to do this by Unionist politicians when he took office last May. He had before him, however, the example of the last period of internment which lasted from August, 1971 to December, 1972. The indiscriminate rounding up of paramilitary suspects resulted in massive recruitment and sympathy for the IRA.

However loudly people in Britain might clamour for a greater military effort or closer co-operation from the Irish Government, there are few security loopholes left that the Dublin Government can close.

The Republic has an army of just 13,500 men (the same size as the British Force in Ulster), which it can ill afford. There are 8,000 men in the Garda, nearly a third occupied on the border. Even with the best will in the world, it would require a force ten times the size and even then it probably could not effectively seal the border which is 290 miles long.

In the previous IRA campaign, of 1956-68, the Dublin Government had internment without trial. Mr. Lynch, the Prime Minister, feels that this is no longer politically possible. His party, Fianna Fáil, is a political party, not a paramilitary organisation. It is not the Treaty which brought about the partition of Ireland. While Mr. Lynch can and does condemn the means the IRA use, he cannot disavow the notion of reunification of Ireland. This is the very fabric of the Fianna Fáil party.

Laws to combat terrorism

Senior police and army officers have been saying for months that with their new cellular structure, the Provos probably cannot be defeated, and that violence is probably now at an irreducible minimum. A captured army document foresaw no real improvement until at least 1983.

In saying this, the officers make the caveat: "under the present ground rules." Under the Prevention of Terrorism Act and the Emergency Powers Act, suspects can be held for seven days then must be released. The Provos have learnt to withstand seven days in custody.

Mr. Humphrey Atkins, the

Since 1976 the Criminal Justice Act has allowed judges who committed crimes in the North to be tried in the South and vice versa. It was hardly worked because the difficulty of getting evidence from one side and help in interrogating. But the RUC are mostly Protestants and after finding in the Belfast Report that there had been mistreatment of prisoners by some RUC members, the idea that RUC men should arrive in the Republic and interview Roman Catholics in a police station there is a fantasy.

The question of extradition is equally tricky. The Republic's constitution ensures the ideal that there should not be extradition for political crimes. Again, the ruling Fianna Fáil Party is committed to the idea of reunification and it would be problematic for Mr. Lynch to establish the idea that the IRA is not a political movement and that crimes committed by its members are ordinary criminal offences. Since the Stormont trials in 1974 several eminent Irish jurists examined whether the definition of political crimes in so far as they related to the Irish constitution could be widened, and at that time they decided they could not.

Provos new cell structure

Against weapon possession and publicly for terrorists are stronger in Ireland than in Britain. The security loopholes are not many and that must not be lost. Mr. Atkins to think in political as well as security terms.

It remains to be seen whether the sense of shock will hasten a fresh initiative for a political solution in the province but in London the initial signs yesterday were not promising.

In contrast to the Dublin view that an effective political initiative would result in the withering away of IRA terrorism, British Ministers are more convinced than ever that no initiative is feasible until the current spate of violence ends and the political temperature cools.

There is no prospect of the Rev. Ian Paisley and other Protestant leaders sitting down with members of the moderate Social Democratic Labour Party in present circumstances, let alone more militant Catholics. Far from launching an early political initiative they see as a more important task to prevent a Protestant backlash and the escalation of the violence.

Early exchanges are likely between Mr. Thatcher and Mr. Lynch, but these will concentrate on security aspects rather than on the political future of the province. There could possibly be talks when Mr. Lynch comes to London for the funeral of Lord Mountbatten.



"I know it's a charity, but it never feels like one!"

When you are getting on in years and find that you can no longer cope, it is good to know that the Distressed Gentlefolk's Aid Association runs 13 rather special Residential and Nursing Homes for people like you.

They are special because the DGAA understand the problems of the elderly—and, in particular, of the elderly who have known "better days". People are always given a place in a Home where they will "fit-in", where the others are the same sort of person with much the same sort of problems.

This is vital work. It is work that must be done with sympathy, with understanding and with experience. It is work to which we have been dedicated since 1897.

The DGAA needs your donation urgently. And please do remember the DGAA when making out your Will.

DISTRESSED GENTLEFOLK'S AID ASSOCIATION

Vicarage Gate House, Vicarage Gate, Kensington, London W8 4AG

"Help them grow old with dignity"

Observer

MEN AND MATTERS

What Mountbatten told Roosevelt

It is a sombre coincidence that Lord Mountbatten has died only a few days before the 40th anniversary of the start of the Second World War, in which his role was so significant. What is less well remembered is the part he played in steering the Allies away from what would surely have been a great military disaster. A book to be published next month spells out how Mountbatten persuaded President Roosevelt to reject his generals' plans for invading Europe in 1942.

The book, *Second Front Now!* by George Bruce, reveals in detail the bitter arguments involving Churchill, Mountbatten and the army leaders. Stalin was pressing for an assault on France, Beaverbrook advocated it, and so did U.S. General George Marshall. But Mountbatten, with his naval background, knew that the Allies lacked enough landing craft for the task.

In researching for his book, Bruce has sifted through official records in Britain and America. He says: "I am convinced that

it was Mountbatten's personality and logical argument which decisively influenced Roosevelt at that time. As it was, we only made the raid on Dieppe—which amply demonstrated how disastrous a full-scale invasion would have been."

High flier

Real enthusiasts are prepared to pay anything for a good golf ball—or even a bad one, if it was made by Willie Park. At an auction at Genealogues on Monday night, a ball made by Willie in 1893 was sold for £110. The ball was hammered from gutta percha, a forerunner of rubber. In its day it must have been a great improvement on the old leather ball.

Willie won the first ever British Open in 1890, and three times more; for 20 years he was able to challenge the world to beat him in a match for a stake of £100. Golf ran in the Park blood—the family was associated with the Musselburgh club for 400 years. Also up for auction on Monday was a putter reputed to have belonged to old Willie. It went for £520.

Strand shock

When Bishop Abel Muzorewa lands in London for the Zimbabwe summit meeting, he may well find himself being handed a demand for damages by an angry Australian woman. She was walking down the Strand on August 21, at the start of a holiday in London, when a coat of arms fell on her from the facade of Rhodesia House.

This ill-starred tourist was taken to hospital and has had 24 stitches in her leg. She has also seen a London solicitor, and he has written in strong terms to the Foreign Office. But whoever may be destined to compensate her for injury and the ruin of her holiday, the British Government has already resolved to play all legal demands with a completely dead hand.



"They're an endangered species, I believe!"

For Muzorewa's Government

Rising pound and disputes cut IMI profits to £13.6m

TAXABLE PROFITS of IMI, the metal refining, fabricating and slide fasteners group, fell from £15.7m to £13.6m in the first six months to June 30, 1979. The group, which had warned that the year has started badly, was hit by the road haulage dispute, a three-week strike at Leeds and the strength of sterling.

The strong £ reduced taxable profits by about £2m. This includes a £900,000 provision for the loss in value of the net current assets of overseas subsidiaries, of which £400,000 is attributable to minorities.

Sales for the half year rose from £260.4m to £303.9m.

Stated earnings are down from 7.1p per 25p share to 4.6p. The net dividend is lifted from 1.675p to 1.9p, absorbing £3.9m.

For the whole of last year the group paid a total of 3.675p after the taxable surplus had fallen from £34.36m to £32.2m.

The directors say demand for building products remained strong, but copper tube and fittings profits were substantially affected by industrial disputes and a plant breakdown early in the year.

Radiator manufacturing and repair activities performed well. Results from overseas well power companies were good, but growth in UK demand was below expectations.

Alloy tube business remained somewhat depressed. By contrast, special purpose valve activities in UK and France had a good half-year. Profits from component fabrication were maintained, but the ammunition interests results were again disappointing.

After a poor first quarter overseas, encouraging progress had been made by the half-year end in rationalising xip (fastener) resources to match the now smaller European market.

Strong and growing demand for titanium resulted in an excellent half-year. After a difficult start the refinery activities had a good second quarter, and the group achieved some overall increase in sales of copper and copper alloy semis.

Tax at mid-year—based on SSAP 15—was up from £1.3m to £5.7m. The 1978 charge was reduced by £8.8m on stock relief obtained in 1973 and 1974 which is no longer subject to clawback. The restated charge for the 1978 half-year has taken this into consideration.

After a minorities credit of £1m (£500,000) and a metal stocks profit of £700,000 against a £100,000 loss, the attributable profit is well down from £14.8m to £13.6m.

See Lex

DIVIDENDS ANNOUNCED

| | Current payment | Date of payment | Corr. of sp. div. year | Total last year |
|--------------------------|-----------------|-----------------|------------------------|-----------------|
| Anglo-American Inv. Int. | 230 | Oct. 26 | 230 | 750 |
| Arnott and Co. Int. | 7 | Dec. 31 | 5 | 12.5 |
| Assam Trading Int. | 10 | Oct. 26 | 7.5 | 10 |
| H. Brammer Int. | 1.31t | Oct. 16 | 1.2* | 5* |
| Cork Gas Int. | 2.43 | Sept. 15 | 2.28 | 5.43 |
| Fairclough Int. | 1.65 | Jan. 2 | 1.5 | 3.6 |
| IMI Int. | 1.9 | Oct. 22 | 1.67 | 3.68 |
| Johannesburg Cons. Int. | 2063 | Oct. 20 | 130 | 255 |
| Macfarlane Group Int. | 2.1 | Oct. 9 | 1.65* | 3.43* |
| Union Corp. Int. | 185 | Oct. 24 | 15 | 47 |

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ To reduce disparity. § South African cents.

Arnott & Co. nears £1m so far

FURTHER GROWTH is shown by Arnott and Co. (Dublin) for the half year to July 7, 1979, with taxable profit climbing from Irish £722,000 to £997,000. Sales by this tailoring and shirt manufacturing group were £2.25m better at £15.57m.

Tax took £429,000 (£308,000), leaving net profit up from £313,000 to £568,000 for earnings per £1 share of 12.16p (£8.95p), after minorities of £48,000 (£31,000).

The net interim dividend is stepped up to 7p (5p) and an 8p final, is forecast. Last time a 12.5p total was paid from record profit of £2.78m.

Outlook for Brady Industries

Order levels at Brady Industries, the door-making group, are currently satisfactory, Mr. A. E. Ross Seymour, chairman, says in his annual statement.

But the directors are cautious about the Government's proposed public sector cut-back "which must affect the building industry and consequently the door market."

As reported on August 2, taxable profits surged to £409,184

(£13,125) in the year to March 31, 1979. Although there was no interim dividend, a final of 3p net is being paid. This compares with a total of 3.5p last time.

The chairman says a small profit was achieved at the door manufacturing and engineering division, which accounts for half the group turnover. Further improvement is expected this year.

The merchandising division made good progress and managed to achieve a better overall margin despite heavy competition. It is intended to expand the most profitable areas during the current year, while certain minor unprofitable activities have been closed.

The litho and letterpress division made record profits but, the chairman says, this will be very difficult to repeat because of increased competition. The transport division rationalisation programme is complete, and the directors are confident it will contribute to profits this time.

A property revaluation resulted in a £296,000 credit to capital reserve. The chairman says a rigorous system of estate management is operating and properties which do not meet minimum profitability criteria are being investigated as to alternative use or disposal.

During the year properties in Coventry and Nelson were sold for a total of £218,800. Since March other property sales have taken place and bank borrowings further reduced.

At balance date, group fixed assets stood at £3.18m (£2.4m), and net current assets £4.13m (£3.86m). Bank loans and overdrafts decreased from £0.88m to £0.79m.

Meeting, Manchester, September 18 at noon.

UK COMPANY NEWS

NEWS ANALYSIS—HOOVER

Struggling on the slippery slope of falling profits

BY MAX WILKINSON

For the next few months Hoover (UK), the U.S.-controlled domestic appliance group, will be struggling to gain its foothold on a slippery slope of falling profits.

If it fails to gain firmer ground, it will risk starting a slide, gentle at first, but then accelerating as disasters compound each other and entangle all efforts of recovery.

Since Christmas, the management, under its new American chairman, Mr. Merle Rawson, has been making a major effort to secure the company against a further profits decline and to jettison every scrap of weight which could carry the profit account further into the precipitous valley of loss.

The first six months of this year have not been encouraging, however. The figures show a pre-tax loss of just under £1m on record sales of £103.6m. In the corresponding period last year the taxable profit of £3.8m was far from satisfactory.

The company says that without heavy redundancy payments, the effects of the lorry drivers' strike and of a go-slow at its largest plant, in Merthyr Tydfil, the pre-tax surplus for the first six months this year could have been £2.5m.

However it wasn't, and companies cannot pay wages or dividends with money they failed to earn. For the beneficial effects of the economies which have recently been made, the company must, therefore, wait hopefully for the second-half results.

REDUNDANCIES

These measures include a major cut in the workforce (of 2,000 people during the past 18 months out of a total of just under 13,000 employed in the UK in December 1978), a slimming down of fringe benefits, a thinning of management and support staff, a £7m mechanisation programme in the current year and rationalisation of production with the closure of several smaller factories.

The measures were taken after the new chairman set up seven working parties to examine the details of all aspects of the business. The leader of each working party was taken from a part of the company which was different from the sector which it was to investigate. The aim was to

look at old problems with fresh eyes. This exercise started in September. By Christmas senior management was sifting through all the resultant suggestions. They ranged from the closure of whole factories to economies in the number of magazines and copies of the Financial Times ordered by the company.

The company says that most of the suggestions have now been acted upon or are in the process of being implemented; and although further redundancies will probably be necessary, it is said the worst is now over.

The management is entitled to hope, therefore, that the benefits of its sharp and somewhat painful surgery should gradually start to appear, especially as its expensive marketing effort in the last 18 months has succeeded in now serving most of its market share in domestic appliances.

Unfortunately, deep wounds were inflicted by making men and women redundant, and, for example, by cutting back on sick pay and withdrawing company finance from workers' social functions. They are still a long way from being healed.

Morale is low, particularly at the Merthyr Tydfil factory where strong loyalties are articulated and channelled by strong unions and an underlying gloom about employment levels in the area.

The symptoms have been a growing absentee rate, which has reached 10 per cent, and a 20 per cent fall in sales. It is also believed that this level can be explained by genuine sickness. The plant has also suffered a 13-week go-slow, which is explicitly about pay differentials, but which the company believes is partly fuelled by fears about jobs.

The go-slow has cost the company the non-delivery of 30,000 washing machines which were ordered by the end of June but which it could not make on time because of production problems. The management responded with harsher measures this weekend when it announced that its sickness pay scheme was to be withdrawn altogether. It also said production for export orders would be transferred overseas.

The sickness pay scheme was originally designed to "top up" the national insurance payments to give employees the equivalent of full pay while they were sick. However, the company has told its employees that it believes the scheme has been abused.

In the last annual report the company commented that absenteeism had risen to 9.3 per cent overall with a marked increase for men. This overall figure, however, disguises a more serious level of absenteeism on the factory floor. At Merthyr Tydfil, for example, the company says that as many as 600 people out of a total of 5,000 may be absent on any one day.

CHEAP IMPORTS

This problem of morale is compounded by the general strategic difficulty which Hoover and the other UK white goods manufacturers face in combating cheap imports, especially from Italy.

Macfarlane up near 63% mid-year—remains strong

Reporting a near 63 per cent jump in taxable profit for the first half of 1979 the directors of Macfarlane Group (Clansman) say the immediate outlook is one of continuing strong sales, profits and cash flow. Profit climbed from £527,000 to £858,000 for the six months to June 30.

For the whole of 1978 profit more than doubled to £1.2m and in April the company stated that growth had continued in the first quarter of the current year.

Half-time sales by the group, which has interests in packaging and printing, were ahead from £6.33m to £6.18m—close on the total for 1977.

Tax took £448,000 (£374,000) leaving earnings per 25p share 1.87p higher at 4.95p. The net interim dividend is effectively stepped up from 1.68p to 2.1p—last year an adjusted 3.4304p was paid.

Mr. Norman Macfarlane, the chairman, says that trading has been buoyant in most areas of the business, and the group has made particular progress in the companies which have close connections with the whisky and computer industries.

comment

Macfarlane has achieved better-than-expected results this year, with interim pre-tax profits 63 per cent higher on turnover which has increased by 29 per cent. The secret behind the group's success has been increased volume in two of its most important areas of interest—packaging for whiskey and computer manufacturers. Both its bottle closure (one-third of sales) and computer product (one-fifth of sales) divisions have been operating at more than 90 per cent capacity; the latter being a high-performing subsidiary called Bullseye acquired a couple of years ago. The group is also fortunate in having eliminated its borrowing. The interim dividend is main-

The influx of washing machines from the large efficient manufacturers like Zanussi, Candy and Indesit sometimes very low prices have depressed margins to vanishing point. Hoover recently told its employees that it was losing £5 on each automatic washing machine it sold.

Since washing machines account for more than half of its sales this is very serious for the company and cannot adequately be offset by the higher margins on vacuum cleaners and other electrical appliances.

In vacuum cleaners, manufactured predominantly at Perivale outside London and Cambuslang, Scotland, Hoover still has a strong position with about 50 per cent of the UK market and some 40 per cent of its UK production exported.

However, it is being strongly challenged by the Swedish-owned Electrolux which claims to have equalled Hoover's worldwide production.

For washing machines, however, the picture is not rosy. Of the total UK market of 1.5m machines a year, Hoover claims about 30 per cent with a further 20 per cent of UK production exported. Sales of automatic machines account for about 1m in the UK, about half of which are taken by imports. That leaves only 500,000 to be fought over by Hoover and Hotpoint.

Two UK leaders, with Colston, Sereni and Creda, following behind.

Most of Hoover's washing machine production is at Merthyr Tydfil where labour troubles add to its desperate struggle to improve margins to a respectable level.

IN JEOPARDY

At present Hoover has the advantages of a good brand name, considerable loyalty from consumers and an up-to-date range of products, including a good quality automatic washing machine with a spin speed of over 1,000 rpm.

But if it cannot generate more cash its plan for new products, including a top-loading machine and a dishwasher, will have to stay on the shelf.

Plans for a new factory in Merthyr Tydfil to make these products and to increase production of front loading automatics have had to be put on ice. Basic research and development and further mechanisation will inevitably be put in jeopardy if profits cannot be recovered.

For the immediate future the company's assets and its cash position are strong enough to allow it to finance the recovery, but it clearly has only a limited time to prove its strategy can work.

From a longer perspective, it is evident that Hoover is paying the price of its failure in the fat years of higher profitability during the early 1970s to invest and modernise more rapidly, to make more vigorous efforts to convert the British housewife to automatic machines, to provide a secure home base, and to build up a stronger export position.

None of these were easy tasks a decade ago, but now they are vital necessities they are even more difficult.



Mr. Oswald Davies, chairman of Fairclough Construction Group... overseas activities made a significantly increased contribution to mid-term results, but the bad winter held back progress in the UK.

Fairclough reaches £4m at six months

TAXABLE PROFITS of Fairclough Construction Group rose from £3.8m to £4.07m in the first half of 1979, on turnover well ahead at £107.78m, against £89.835m. For the whole of last year, profits reached a record £9.55m.

The directors say that overseas activities have made a significant increased contribution to half-year results. The group is continuing to be selective in pursuing overseas work and has been awarded two large contracts during the period.

Footholds are being established in new territories in conventional construction activities as well as the more specialist building work they add.

The bad winter held back progress in the UK. The forward workload is satisfactory, but the UK market for all construction activities continues to be difficult and profits have been disappointing.

After tax for the half-year of £3.11m (£1.87m), earnings per 25p share are given as 4.44p, compared with 4.47p. The net interim dividend is raised from 1.8p to 1.65p—last year's total was 3.5p.

Figures for 1978 do not take account of the acquisition of Robert Watson and Co. (Construction Engineers).

comment

Fairclough may increase the level of private housing completions by a quarter this year and the level of work awarded by the NCB is rising, but these two buoyant UK areas apart, the group is more than ever convinced of the need to build up overseas presence. The shares have strong overseas presence been widely dispersed in the Operating profits from work

ABWOOD RIGHTS

Mr. Geoffrey Suckling, the new chairman of Abwood Machine Tools, said yesterday that the firm rights issue has been fully taken up or sold at a premium in the market. None has been left with the underwriters.

At the same time, Mr. Alan Peck, the managing director, announced that he had sold 250,000 shares formerly owned by the family trust arising from the rights issue. The shares have been widely dispersed in the Operating profits from work

GESTETNER HOLDINGS LIMITED

Capital shares, which will be despatched on or before 21st September to holders registered on 10th August 1979 and which bearer holders should claim as already announced, will be:—

| | | |
|------------------------------|-----------|----------|
| | Ord. cap. | A |
| Based on an average price of | 107.029p | 107.029p |

| | | |
|--|-----------------|-----------------|
| For each share held holders will receive | 0.033368 shares | 0.033368 shares |
|--|-----------------|-----------------|

Fractions of new shares will be sold for the benefit of the Company.

FAIRCLOUGH

Fairclough Construction Group Ltd

| | 6 months ended 30th June, 1979 £000s | 6 months ended 30th June, 1978 £000s | 12 months ended 31st December, 1978 £000s |
|-----------------------------|--------------------------------------|--------------------------------------|---|
| Turnover | 107,785 | 89,835 | 232,909 |
| Profit before taxation | 4,065 | 3,601 | 9,555 |
| Profit after taxation | 1,951 | 1,729 | 4,535 |
| Earnings per ordinary share | 4.44p | 4.47p | 10.33p |
| Dividend per ordinary share | 1.65p | 1.50p | 3.50p |

The charge for taxation for 1979 is estimated and based on Corporation Tax of 52% (1978—52%).

Points from the Statement of the Chairman, Mr. Oswald Davies, C.B.E., D.C.M.

- * A significant increase in the contributions from overseas work.
- * Profits from United Kingdom activities for the six months have been disappointing.
- * Forward workload satisfactory.
- * The United Kingdom market for all construction activities continues to be difficult.

Sandway House, Northwich, Cheshire. Telephone: Sandway 833385. Telex: 666708

CIVIL ENGINEERING • BUILDING • TUNNELLING • SURFACE MINING
MECHANICAL ENGINEERING

Sime Darby

Sime Darby Holdings Limited

HIGHLIGHTS OF PRELIMINARY ANNOUNCEMENT OF THE RESULTS FOR THE YEAR ENDED 30TH JUNE, 1979

...an extremely rewarding year of strong, consistent progress with profits again setting new records

- PRE-TAX PROFITS — up by 24% to a record MS 219 million
- DIVIDENDS — up 25% to 15.022 cents
- EARNINGS — increased by 21%

SUMMARY OF CONSOLIDATED RESULTS

(Subject to final audit)

| 1979 £ MILLION | | 1978 M\$ MILLION | 1978 M\$ MILLION |
|-------------------|---|---------------------|---------------------|
| 46.3 | PROFIT BEFORE TAXATION | 218.9 | 177.2 |
| 17.8 | EARNINGS — Profit after taxation and minority interests | 94.1 | 69.4 |
| 3.0 | TOTAL COST OF DIVIDENDS | 37.4 | 31.1 |
| 63.5 | TOTAL BORROWINGS — LESS CASH | 299.8 | 127.4 |
| 75.5 | MINORITY INTERESTS | 356.6 | 331.3 |
| 147.0 | SHAREHOLDERS' FUNDS | 694.4 | 671.8 |
| Pence | | cts. | cts. |
| 4.5 | EARNINGS PER SHARE | 21.25 | 17.87 |
| 37 | ASSETS PER SHARE | 175 | 171 |

NOTES:

1. Approximately 80% of the Group profit before taxation (1978—75%) was earned in Malaysia.

2. The comparative profit figures for 1978 have been adjusted to—

(a) exclude the 6 months results of Kemper (Malaya) Berhad — (Kemper), to 30th June, 1977 which were included with the 18 months figures for Kemper in the 1978 accounts due to that subsidiary changing its year end from 31st December to 30th June. The effect of

this adjustment is to decrease the previous year's profit before taxation by \$122 million.

(b) Incorporate the Group's share of the profits of Shaw Wallace & Company Limited which is being treated in the accounts to 30th June, 1979 as an associate. The effect of this change is to increase the previous year's profit before taxation by \$4.9 million.

3. The Group's 29.9% investment in The Guthrie Corporation was acquired at a cost of M\$184.6 million.

By Order Of The Board
FRED C. WHITING
Secretary

27th August, 1979

'Johnnies' boosts its final to 205c

BY KENNETH MARSTON, MINING EDITOR

SOUTH AFRICA'S Johannesburg-based investment group is boosting its final dividend to 205c (110p). This brings the total for the year to June 30 to 255c against 170c for 1977-78.

As indicated at the half-way stage, investment income has taken a stride ahead under the impact of the group's important diamond and gold shareholdings which in the previous year provided 32.4 per cent and 18.8 per cent, respectively, of the total.

Share realisation profits have fallen below the previous year's exceptionally high levels, but a surplus has arisen from the sale of timber interests. Trading profits of the operating subsidiaries have fallen because of losses at Sotobank which is being reorganised.

A substantial provision of R44.4m to cover the write-off of the R208.2m from R168.8m in the past year. The market value at June 30 amounted to R375.3m against R244.5m a year previously. The June 30 value of net assets per share equalled R68.80 (257c). In London yesterday the share price was unchanged at 217c.

comment

For the current year, diamond income should be fully maintained while that from gold should show a good increase. Coal looks like providing more as does copper, the latter largely reflecting the holding in Palabora, and there remains the possibility of a resumption of operations at Otjibab. The various non-mining activities should do well again and better dividends are in train from the holdings in Rustenburg Platinum and Consolidated Murichison. In all, therefore, "Johnnies" is heading for a sharp advance in profits, a view that is underlined by the sharply increased final now announced. Against this background and the current above-average dividend yield of just under 8 per cent the shares are not over-priced.

ROUND-UP

Anglo American Investment Trust, the 52 per cent owned Anglo American Corporation unit which holds 28 per cent of De Beers, is maintaining its interim dividend at 230c (123.6p). Payments for 1978-79 were 750c. Estimated net

profits for the half to September are R24.5m (£13.1m), against R24.75m in the comparable period of 1978, mirroring the trading performance of De Beers.

Following a Supreme Court order in New South Wales, Selection Trust's Australian reorganisation will come into effect, as planned, next Friday. Selection Exploration shares will cease to be listed. The public's shares in this company and Selection Mining will be cancelled and new "A" ordinary shares in Selection Holdings issued in their place. Trading in the "A" shares starts on Monday along with trading in the rights for the proposed issue of "Z" shares.

Dampier Salt, 84.9 per cent owned by Condule Rotunda of Australia, is to spend A\$13.7m (£6.9m) on rebuilding and expanding the Lake Macleod project in Western Australia. The project was destroyed by Cyclone Hazel last March. Salt shipments should resume at the end of next year.

Australia will meet half the costs of a number of uranium exploration projects being discussed in Manila by a team of Australian experts and Philippine Energy Ministry officials. Under an agreement reached last year, Australia will provide uranium for two Philippine nuclear reactors, should construction proceed.

Tek Corporation of Vancouver is lifting its cash offer for Highmount Mining to C\$9.0 (£3.48) a share from C\$8.50. But Tek's share exchange offer is unchanged—six Tek cash "B" shares for every 10 in Highmount.

MKU interested in Ranger stake

AUSTRALIA'S only producing uranium miner, Mary Kathleen Uranium, has thrown its hat into the ring for the 50 per cent share of the Ranger uranium project which the federal Government wants to sell, reports James Forth from Sydney.

MKU, which is 51 per cent owned by Rio Tinto-Zinc's offshoot, Cominco Minerals of Australia, declared its interest when announcing a A\$10m turnaround in earnings. The company declared a profit of A\$8.77m (£4.5m) for the June half compared with a loss of A\$1.46m for the same period of 1978. Sales rose 57 per cent to A\$28.7m.

Referring to the Government's recently announced intention to sell its stake in Ranger, the directors said that although the other partners, Peko-Wallend and E2 Industries, had the first right of refusal, MKU was investigating the matter.

Along with other companies MKU had "formally registered" its interest with the Government. The Government's Ranger interest is held by the Australian Atomic Energy Commission which also owns 41.6 per cent of MKU, and which the Government also wants to sell.

MKU repaid loans outstanding to its bankers of A\$3.125m in the latest half. Loans from the major shareholders, CRA and the Government totalling A\$29m are still outstanding. No tax was payable, but the board expect earnings from 1980 onwards to attract tax, and result in substantially lower profits for the remaining life of the mine.

Meanwhile the Ranger partner, Peko-Wallend, boosted profit 39 per cent to a record A\$26m (£13.1m) in the year to July 3 and lifted its dividend from 15 cents a share to 17.5 cents (8.5p). The directors have also decided upon a one-for-five rights issue at A\$3.00 a share, compared with the closing price in Sydney yesterday of A\$6.06.

UMAL EARNINGS EDGE HIGHER

Earnings at Utah Mining (UMAL) edged higher in the 1979 first half, vindicating the prediction made by the company last April of a return to growth in profit this year, albeit with a gradual start.

Net profits in the six months

to June were A\$8.96m (£4.5m), compared with A\$8.25m in the same period last year. The interim dividend is maintained at eight cents (4.0p) on a capital enlarged to 60m shares from 42m earlier in the year.

UMAL holds a 10.8 per cent stake in Utah Development, the largest Australian coal producer. Utah Development is 89.2 per cent owned by Utah International, a unit in the General Electric group of the U.S. UMAL was established to allow direct Australian participation in the affairs of Utah Development.

Mineral sales revenue at UMAL slipped to A\$12m in the first half from A\$13.04m in the same period last year. But dividend income rose to A\$7.36m from A\$6.54m.

The shares in London yesterday were unchanged at 235p.

AS MINING TO SAMPLE PIPES AT MT. WYNNE

The Selection Trust group's Australian AS Mining Ventures has discovered a fourth "pipe" of igneous material in the Mount Wynne joint venture diamond exploration area in the West Kimberley, according to its partner Haoma Gold Mines.

The latest pipe has a surface area of about two hectares and a treatment plant will arrive on site later this week to test all the pipes for diamonds. AS Mining can earn a 60 per cent stake in the project by spending A\$2.7m (£1.36m) on the prospecting work, leaving Haoma and North West Mining with 20 per cent each.

The normal procedure for examining pipes is firstly to carry out drilling in order to define the limits of the kimberlite material contained therein. The next stage, as in this case, is to obtain samples by trenching or other methods and then put the material through a treatment plant.

This last stage is the one that aims to find out whether the pipe is diamondiferous—the majority of pipes turn out to be barren. If diamonds are found a great deal more work is needed to gauge whether they are sufficient in quantity to warrant a mining operation and very few pipes pass this test.

Attributable profit down at Brammer midterm

ATTRIBUTABLE PROFIT of H. Brammer and Co. fell from £1.51m to £1.2m for the first half of 1979, after tax more than doubled from £720,000 to £1,533m. Sales by the replacement bearings and power transmission products group advanced to £18.61m, compared with £15.81m.

Profit was struck this time after unrealised exchange losses of £106,000 and £109,000 acquisition expenses.

Mr. J. E. Head, the chairman, says the results were in line with the company's predicted programme. In May the company had said that in accordance with its long term plan it would devote 1979 to expansion and market penetration in selected product and services associated with both source and transmission power.

The company now has adequate cash resources to support continuing product and market development, Mr. Head says.

Stated earnings per share for the half year were down from 0.065 to 0.059. The net interim dividend is effectively raised to 1.5p (12p) to reduce disparity. A 3.5p fall was paid for 1978 from record pre-tax profit of £3.47m.

comment

The figures from H. Brammer

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are being or likely to be paid. The sub-divisions shown below are based mainly on last year's timetable.

| TODAY | |
|--|----------|
| Interim: Cement-Roadstone, Groves, Ladbroke, Edward Le Bas, Nurdin and Peacock, Nu-Swift Industries, Pearl Assurance, H. and J. Quick, Thomas Robinson, Slough, Tesco. | |
| Finals: Associated Dairies, Bancima Industries, Crouch Group. | |
| FUTURE DATES | |
| British Printing | Sept. 27 |
| Hyman (I. and J.) | Sept. 21 |
| Library | Sept. 21 |
| Tarmac | Sept. 24 |
| Finals: | |
| Blackwood Martin | Aug. 31 |
| Heath (Samuel) | Sept. 6 |
| Unifon | Sept. 3 |
| Palmerston Investment Trust | Sept. 3 |

been completed but efforts to acquire Morse Chain for about £5m have fallen through. The group has put its interim dividend up by 50 per cent, but this is partially intended to reduce the discrepancy between the interim and final payments. At yesterday's share price of 123p, down 1p, and the fully taxed p/s would be 11 assuming profits of about £6m before taxes. Shareholders would be advised to observe the manner in which the group's cash is spent for a clearer signal of the shape of things to come.

£1.5m fall at Assam Trading

Pre-tax profits of Assam Trading (Holdings) fell to £1.41m in the year to March 31, 1979. This compares with a forecast of £1.41m and £2.9m last time.

The results represent almost entirely the company's participation in McLeod Russel and Co. Share of associate profits was £1.45m (£2.91m).

As expected, the net dividend of the "B" stock is raised from 7.5p to 10p. Earnings are shown to have fallen from 104.22p to 28.33p.

demonstrate moderate growth over the first half of 1979; pre-tax earnings are up by 18.4 per cent on a 23.8 per cent higher turnover. These increases stem from better performance in the group's bearing distribution and rubber product activities. Meanwhile, there is a good deal of cash awaiting group utilisation. This is because the £3.5m rights issue last March, which was intended for investment in the United States and for the acquisition of a Borg-Warner subsidiary, has not been fully spent. The former purchase, a spindle manufacturing and rebuilding operation in Massachusetts, has

Bridgend forecasts greater loss

A HIGHER loss is forecast at Bridgend Processes for 1979. The upheaval in Iran has had a severe direct and indirect impact on the company's trading and the board has decided it is prudent to write-off the group's investments in the structural thermoform partnership with Metal Box, in the current year.

"These events are bound to cause a hiatus in the group's income, coinciding as they do with the short-term reduction in income from Japan, and it is, therefore, probable that the result for this year will show an increased loss," says Mr. R. Hamilton-Peters, the chairman. However to meet the situation efforts are being concentrated on

bringing on stream the sale of new electronic products. Two of these products, the Vector Intruder detector and the Canary microwave leakage detector, are expected to make a significant impact on the results for 1980, he says. The chairman adds that there is a remarkable volume of worldwide interest in the company's electronic technology and he thinks this justifies retaining the group's longer term ambitions. A thorough appraisal of the financial requirements of each of the various projects with which the company is concerned has been carried out and the board is satisfied that there is no

Union Corp'n is doing well

A GOOD first half is reported by the South African General Mining group's Union Corporation mining finance subsidiary. Net earnings have risen to R38.5m (£20.9m) from R24.4m in the first half of 1978 when the year's total was R125.5m.

Union Corporation reckons that earnings for the second half of this year will approximate those for the first half, which equal 63 cents per share, a rise of 59 per cent on the figure of 39c a year ago.

The interim dividend is being lifted to 19 cents (10.2p) from 13 cents last year when there was a subsequent final of 32 cents.

Group earnings are made up

as to mining 33 per cent, industrial 39 per cent and other 28 per cent.

Six months ended June 30, 1979

| | | |
|-----------------------------|--------|--------|
| Operating income | 58,380 | 40,825 |
| Investment income | 18,914 | 18,264 |
| Realised profit investments | 239 | 1,617 |
| Making | 78,533 | 60,706 |
| Exploration expend. | 12,587 | 10,595 |
| Interest paid | 64,225 | 42,552 |
| Profit before tax | 12,957 | 9,311 |
| Taxation | 51,298 | 34,701 |
| Income after tax | 12,753 | 8,818 |
| Dividends held | 38,845 | 24,426 |
| Earnings per share | 63 | 40 |
| Interim dividend (cents) | 19 | 13 |
| Net asset value per share | 1.124 | 83 |

During the past half-year investment income from gold, platinum and base-metals

Maple leaf turns to gold

AS THE price of gold moved up to a fresh high of over \$317 per ounce at one time yesterday, it was announced that Canada's new one-ounce gold coin—the "Maple Leaf"—will go on sale in September 6.

Production will continue as planned, despite the recent sharp increase in the gold price, with 1m coins on sale this year and 2m coins a year in 1980 and 1981.

The Maple Leaf will be similar to South Africa's Kruggerand, sales of the latter last year tumbled 80 per cent to 6m coins—equal to 26 per cent of the republic's gold production—and more than half the total of coins sent to the U.S. market.

In the first half of this year

sales of South Africa's Kruggerands fell sharply owing to high stock levels in Europe and the U.S. at the end of 1978 which had to be run down, coupled with earlier anticipations of a setback in the gold price. But sales picked up sharply in July, bringing the year's seven-month total to 2.65m coins against 3.08m in the same period of 1978.

In Ottawa, Mr. Yvon Gariepy, Master of the Mint, said of the Canadian coin: "Demand seems to be very good and all our official distributors seem to be very interested in getting delivery as quickly as possible."

It will sell at the current bullion price plus a premium which may range from 4 to 7



Progressive profit increase by 38% in the past two years

| | 1979 | 1978 |
|------------------------------|---------|--------|
| Turnover | £1,134m | £974m |
| Profit before taxation | £43.4m | £31.4m |
| Earnings per share | 17.29p | 12.55p |
| Dividends per ordinary share | 4.7p | 3.4p |

Extracts from the Statement by the Chairman, John Clement

"The results for the Group are highly encouraging..."

"We look forward to improving our performance in the current year, but are concerned about the reappearance of inflationary pressures in the economy..."

"We consider that some progress has been made but there is still more to be achieved. This is essential if we are to obtain better returns for our shareholders, improve products and service for our customers, and secure real improvement in the terms and conditions of our employees."



To: The Company Secretary,
Unigate Limited, Unigate House,
Western Avenue, London W3 0SH.
Please send me a copy of the Annual Report and Accounts 1979.

Name
Address

electrocomponents limited

1979 RESULTS
Turnover increased 32% to £44.4m

Profits up from £7.6m to £10.0m

Profit margins maintained

Earnings per share up from 21.7p to 26.9p

Total dividend 6.5p—against 2.52p equivalent last year

Although operating in an environment of little economic growth, records were achieved in both sales and profits.

We have substantially increased the final dividend following the end of dividend limitation and future payments will reflect the increased profits that, barring unforeseen circumstances, the Group should achieve.

Although I view the immediate future with caution, I also see new opportunities. The field of electronics will continue to develop and could benefit from the growing realisation of the need to monitor and conserve energy.

R. A. MARLER, Chairman

Copies of the full Report and Accounts for the year to 31st March 1979 are available from the Secretary, Electrocomponents Limited, 37-45 City Road, London EC1P 1HX.

Britain's biggest electronic components distributor

BIDS and DEALS

Companies and Markets

Australian mining joint venture by Derek Crouch

AS PART of its policy of expansion Derek Crouch, the open-cast mining contractor, is entering into a joint venture contract with Brambles Industries of Australia.

A joint company is to be formed which will concentrate on open-cast mining in Australia. Brambles is a major supplier to the Australian mining and construction industries of transport and support services.

In its last financial year it reported pre-tax profits of A\$17.4m (£8.7m) on turnover of A\$244.8m (£122.4m). In 1978 Crouch reported a pre-tax profit of £2.8m on turnover of £42.8m. It is planned that the new joint venture company — Brambles Crouch — will have its headquarters in Sydney. Mr. Sydney Erelby, a member of Crouch's main board, and until recently the director in charge of new developments, has already moved to Australia.

STENHOUSE SHARE TRANSACTIONS

Mr. Raymond Strange, a director of Stenhouse Holdings, the insurance broker, sold 50,000 shares on behalf of himself and his wife in the group on August 20 — the day Continental Corporation, the U.S. insurance concern, went into the market and bought 20 per cent of the Stenhouse equity. The deal was worth £34.875.

Mr. Strange received 100p for each share sold and he has reduced his holding in the company to 100,600 shares. Yesterday Stenhouse shares closed at 89p.

Mr. W. G. Gardiner, the Stenhouse company secretary, said that Mr. Strange's sale had been made "for financial reasons. It was not a short term deal."

Mr. William Wilson, another director, has notified the stock exchange that his non-beneficial interest in the company has been reduced by 34,548 shares to 879,585 shares in three deals as a result of the following transactions by a trust in which he has an interest as a trustee.

On March 22 there was a sale of 7,500 shares at 90p; April 3, 5,200 shares at 91p; July 4, transfer of 21,464 shares to beneficial owners.

DRAKE AND SCULL

Globe Investment Trust has increased its stake in Drake and Scull Holdings to 8.56 per cent. The move follows the conversion by institutional shareholders of their preference shares into ordinary shares and the placing early this month among institutions of the 13 per cent previously held by the Department of the Environment as part of the rescue plan for Drake.

SHARE STAKES

Albert Fisher Group: Mr. A. Haydock, director, has acquired 40,000 shares at 8p. Total holding 40,000 shares (1 per cent). He is a trustee of trusts which control Tyne & Wear which holds 1,156,214 shares (23.9 per cent). Executors of Mr. M. G. Litt, deceased, Mr. J. A. Woods and Mr. J. A. Green, have disposed

of 350,000 shares leaving holding 47,500.

Western Dealers Tea Holdings: Camellia Investments has bought 11,000 shares making holding 258,963 shares (23.59 per cent).

Merchandise Trust: Following recent purchases Standard Life Assurance Co. holds 3,505,000 shares (7.1 per cent).

H. Brummer and Co. Prudential Corporation has acquired 205,000 shares making holding 1,543,188 shares (8.13 per cent).

SLOUGH PAYS \$3M FOR U.S. STAKE

Slough Estates, through an 80 per cent owned U.S. subsidiary, has bought 5.15 per cent of Bank America Realty Investors, a California real estate investment trust advised by Bank America.

The purchase, costing \$3m, is said to be for investment and no bid is planned at present, though Slough reserves the right to change its mind in the future.

The deal has been carried out by a company called SDK Industrial Parks, in which Slough has 80 per cent and a private U.S. company, Draper and Kramer, has 20 per cent. SDK was set up in 1973 to develop property sites in and around Chicago, including the 1m square foot industrial park at Elk Grove now fully let.

JENKS & CATTELL

Mr. Terry Maher, chairman of Jenks, the publishing engineer and garden products group, confirmed yesterday that the company would not be making a bid for Jenks and Cattell.

Pentos now holds 20 per cent of Jenks following the sale by W. Tyack Sons and Turner of the 1m shares it received from Jenks when Tyack sold its garden tools division to Jenks. Pentos

toe bought all the shares thus issued.

With two members on the board of Jenks and with 20 per cent of the equity Pentos can now consolidate its share of Jenks' profits. However, Mr. Maher explained that the main reason for the move was not for accounting purposes but to secure lines of supply for garden tools which it distributes and sells.

Pentos had a supply agreement with Tyack and now has an informal agreement with Jenks. The arrangement was an alternative to a full bid by Pentos for Jenks or the purchase from Tyack of the garden tools division. Pentos had no intention of bidding for Jenks and did not want to extend into the manufacturing end of garden tools, Mr. Maher explained.

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The key balance sheet figures at a glance:

| | DM | 4.965m | 4.237m |
|-----------------------------------|----|--------|--------|
| Balance sheet total | DM | 4.965m | 4.237m |
| Due from other banks | DM | 2.334m | 1.960m |
| Due from customers | DM | 1.431m | 1.245m |
| Own resources | DM | 175.6m | 169m |
| Profit shown in the balance sheet | DM | 12.2m | 11.6m |

In just nine months (abbreviated fiscal year), we managed to expand our balance sheet total by 20.7 percent to the equivalent of DM 4.97 billion at the end of 1978.

Our equity capital, after allocation of retained earnings to reserves, totalled DM 187.8 million.

We have been active in the Euro-market since 1973, with special emphasis on short and medium-term Eurocredits, syndicated loans, international money market operations and securities trading.

We are a wholly-owned subsidiary of Bank für Gemeinwirtschaft, Frankfurt, whose consolidated balance sheet total was DM 49 billion last year.

A few of many good reasons to do business with us.

BfG: Luxemburg, 14 rue des Bains, Boite Postale 1123, Luxembourg. Telephone: 40011 (general), 29393 (money market operations), 22888 (securities trading), Telex: 1415 bfg lu (general), 1213 bfg lu (money market operations), 1214 bfg lu (securities trading).

BfG: Luxemburg

This announcement appears as a matter of record only



ASSOCIATES CORPORATION OF NORTH AMERICA

U.S. \$300,000,000

Revolving and Term Loan

Managed by

Merrill Lynch International Bank Limited

Provided by

The Bank of Nova Scotia International (Curaçao) NV

Dresdner Bank AG New York/Grand Cayman Branches

Swiss Bank Corporation New York Branch

Westdeutsche Landesbank Girozentrale

Bank of Montreal, New York Agency

Barclays Group Banks, New York

Lloyds Bank International Limited

DG BANK Deutsche Genossenschaftsbank Cayman Islands Branch

Allied Irish Investment Bank Limited

Banque Nationale de Paris (New York Branch)

Bayerische Hypotheken- und Wechsel-Bank Aktiengesellschaft New York Branch

Canadian Imperial Bank of Commerce

Credit Lyonnais - New York Branch

Deutsche Bank AG New York Branch

First National Bank in Dallas

The Royal Bank of Canada, New York Agency

Toronto Dominion Bank

Bank für Gemeinwirtschaft AG, New York/Cayman Islands Branches

Hambros Bank Limited

Merrill Lynch International Bank Limited

Midland Bank Limited

National Westminster Bank Group

Texas Commerce Bank National Association

Union Bank of Switzerland

July 1979

Vibroplant looks for increase

The strength of the group and continued controlled expansion will lead to a further increase in profits in the current year, says Mr. Roy Clinning, chairman of Vibroplant Holdings, the plant hire concern, in his annual report.

He adds that demand over the past few months has been encouraging and trading profits so far this year are above those of the same period in 1978.

In the year to March 31, 1979, the group lifted taxable profits from £2.61m to £1.71m on turnover ahead from £9.5m to £11.2m.

Mr. Clinning adds that negotiations and planning consent were finally approved for a depot in East Birmingham at the end of 1978, which is now making a useful contribution to profitability. Land and buildings have been acquired in West Bromwich as a major support depot for the south Midlands, and to provide services in the west Birmingham area in the immediate future.

Yearlings up to 12-5/8%

The coupon rate on this week's batch of local authority yearlings bonds is up from 12 1/2 per cent to 12 5/8 per cent. The bonds are dated September 3, 1980, and issued at par.

This week's issues are: London Borough of Barnet (£1m), London Borough of Croydon (£1m), Leicestershire District Council (£0.25m), Borough of Tamworth (£0.25m), St. Edmundsbury Borough Council (£0.5m), Borough of Hyndburn (£0.5m), Dacorum District Council (£0.5m), Wansbeck District Council (£0.3m), City of Carlisle District Council (£0.75m), Wellingborough District Council (£0.75m), Welwyn Hatfield District Council (£0.5m), Cuthbert District Council (£1m), Hertfordshire County Council (£1m), West Yorkshire Metropolitan Council (£0.5m), Crawley District Council (£0.5m), Etrick and Lauderdale District Council (£0.25m), Kirklees Metropolitan Borough Council (£0.5m), South Bedfordshire District Council (£0.25m).

The London Borough of Merton is raising £1m by way of 13 per cent bonds due on August 26, 1981 at par while Walsall Metropolitan Borough Council is raising £0.6m with the same terms and maturity. The Borough of Epsom and Ewell is raising £0.25m by way of 13 per cent bonds due on August 29, 1984 at par.

Union Corporation Limited

(Incorporated in the Republic of South Africa)

HALF-YEARLY STATEMENT

The unaudited consolidated results of the group's operations for the six months ended 30 June 1979 are set out below together with the unaudited results for the six months ended 30 June 1978 and the audited results for the year ended 31 December 1978.

| | Six months ended 30.6.1979 | Six months ended 30.6.1978 | Year ended 31.12.1978 |
|---|----------------------------|----------------------------|-----------------------|
| Operating income | 10,000 | 10,000 | 10,000 |
| Income from investments | 10,000 | 10,000 | 10,000 |
| Realised profit on investments (note 1) | 10,000 | 10,000 | 10,000 |
| Deduct: | | | |
| Exploration expenditure | 1,243 | 7,719 | 3,507 |
| Interest paid | 12,857 | 10,595 | 23,704 |
| Provision for writing down investments and amounts written off investments (note 2) | — | — | 2,000 |
| | 14,100 | 18,314 | 29,211 |
| Consolidated net income before taxation | 64,255 | 42,552 | 102,833 |
| Taxation | 12,657 | 8,311 | 18,565 |
| CONSOLIDATED NET INCOME AFTER TAXATION | 51,598 | 34,241 | 84,268 |
| Attributable to outside shareholders in subsidiaries | 12,753 | 7,815 | 21,747 |
| CONSOLIDATED INCOME ATTRIBUTABLE TO ORDINARY SHAREHOLDERS OF UNION CORPORATION LIMITED | 38,845 | 26,426 | 62,521 |
| Cost of dividend | 11,658 | 9,175 | 28,809 |
| Investments—fixed, market value | 490,663 | 268,121 | 410,591 |
| —unlisted, directors' valuation | 24,205 | 14,974 | 21,425 |
| Equity shareholders' interest including investments at market value or directors' valuation | 689,399 | 524,605 | 580,790 |
| PER SHARE — in cents | | | |
| Earnings (note 1) | 63 | 40 | 102 |
| Dividend | 19 | 15 | 47 |
| Net asset value | 1,124 | 835 | 949 |
| Ordinary shares in issue (000) | 61,357 | 61,167 | 61,357 |

The earnings shown above reflect an improvement of 59% compared with the corresponding period in 1978 and the contribution to earnings for this period by the various divisions of the group is not dissimilar to that of the year to 31st December 1978 namely:

Mining 33%; Industrial 39%; Other 28%.

Income from investments in the gold and platinum sectors and from other metals and minerals improved by 45% despite income from Impala Platinum Holdings being lower due to a change in timing of dividend declarations by that company. This latter position will be restored in the second six months of this financial year in view of the higher final dividend recently declared by Impala.

All the industrial subsidiary companies recorded improved earnings for the six months under review and the attributable income from these subsidiaries reflected an overall improvement of 47% when compared with the corresponding period in 1978. Total turnover increased during the period by 21%.

Income from other sources such as finance, property, share dealing, etc., reflected an increase of 127% for the current half year, largely due to a significantly higher realised profit on investments in the buoyant conditions which prevailed on the Johannesburg Stock Exchange.

Shareholders are again reminded that investment, income, and certain expenses, particularly exploration expenditure, do not accrue evenly throughout the year. At this stage, however, it would appear that earnings for the second six months of the current financial year will approximate those for the first half.

The board has declared an interim dividend of 19 cents per share (1978—15 cents) in respect of the year to 31 December 1979 and a separate notice is appended in this regard.

NOTES:

1. Realised profit on investments
Realised profit for the year 1978 included an exceptional amount of R7,078,000 arising from the sale of the group's interest in Minera Frisco S.A. de C.V. This amount was equal to 12 cents per share. Actual earnings for 1978 excluding this amount were thus 70 cents per share.

2. Writing down of investments
No provision has been made in the above half-yearly figures for the writing down of investments as this provision is calculated as the Company's financial year-end and is related to market prices ruling at that date.

3. Subsidiary companies
During the period under review, the Corporation increased its holdings in certain subsidiary companies as

Electrocomponents sees growth Fogarty plans scrip and dividend boost

MR. R. A. MARLER, chairman of Electrocomponents, is confident of further growth in the current year, but refrains from quantifying its extent. He views the future more with caution than pessimism because while he sees problems he also sees new opportunities.

The target set for each operating subsidiary during the next few years reflects, and requires, further substantial growth. Each distribution subsidiary has the potential for a further widening of product ranges and Reading Windings, with additional capital equipment, is able to increase production capacity.

Despite this potential for expansion, the chairman says he

is well aware of the current uncertainty in industry. Doubts relating to the continuity of adequate supplies give rise to a cautious outlook, but the field of electronics will continue to develop and could benefit from the growing realisation of the need to monitor and conserve energy.

The directors continue to investigate opportunities to widen the group's area of activity in distribution fields. Several possibilities were investigated during last year but none has appeared either viable or proved of sufficient potential for continuing profit.

The directors believe a distribution business is not the most suitable organisation to pioneer

new technologies. Nevertheless, the group is in close touch with current developments so that new product introductions are made once it is seen that a market is ready for the services of a distributor.

As reported on June 29, pre-tax profits for the year to March 31, 1979 rose by 32 per cent to £10m. The total dividend is stepped up from 1.52p to 6.3p with a final payment of 5p net.

On a current cost basis the profit is shown at £8.67m, after adjustment for depreciation £105,000, cost of sales £585,000 and net monetary assets £842,000.

The AGM of the company will be held at the Great Eastern Hotel on September 21 at noon.

Fogarty plans scrip and dividend boost

E. Fogarty and Co., the pillow and duvet manufacturer, yesterday doubled its dividend and announced a three-for-one scrip issue designed to help shareholders avoid tax. The company is using a similar device to those adopted this spring by Croda International and Pentos.

Shareholders will be given the choice between receiving three ordinary shares of three pence each for each share they hold. The ordinary shares will not rank for dividends until 1984 but then every three deferred shares will change into four ordinary.

The choice between dividends now or an extra share in 1984 will depend on the shareholder's tax rate. According to Phillips and Drew, the stockbrokers advising Fogarty on the scheme, pension funds and others on a low or nil tax rate should take the dividends. But higher rate taxpayers would be better off waiting for the extra share.

Those on the standard rate have a more difficult decision, but the balance of advantage may lie with the ordinary shares. The brokers say it depends on assumptions made about dividend growth, the stockmarket and the number of holders who opt for deferred shares.

The more who opt for the deferred, the bigger the dividends on the ordinary shares will be. A total dividend payout of £500,000 net (£599,000) for 1979 is proposed.

If there is a 27.7 per cent election for deferred shares, the minimum already known to want them, the rate will be 12.33p for every four ordinary shares. If there is a 57.1 per cent election for deferred shares, the rate will be 17.10p for every four ordinary.

An AGM will be held on September 20 to vote on the scrip issue.

Peko Wallsend rights issue

SHARPLY higher profits and a rights issue aimed at raising A\$25m were announced yesterday by Australian mining group, Peko Wallsend.

After tax profits for the year ended July have increased from A\$19.1m to A\$27.3m (U.S.\$31m) following a rise in turnover to A\$212m from A\$165.6m. The rights issue is to be a one-for-five at A\$5 a share. Total dividend for the year is going up from 15 cents a share to 17.5 cents.

Profit is declared after tax of A\$11.8m compared with A\$11.1m depreciation and mine redemption including amortisation of A\$10.8m against A\$8.55m and interest of A\$2.57m (A\$1.71m), but before an extraordinary profit of A\$2.04m and minorities.

CVRD IRON ORE SALES REACH RECORD LEVEL

Companhia Vale do Rio Doce (CVRD), the state-run Brazilian mining conglomerate, this year has won a record number of iron ore export orders. At 55.9m tonnes they are worth more than \$11.5bn (£4.47bn), reports Diana Smith from Brasilia.

Including domestic sales, CVRD in 1979 will place 69.7m tonnes of iron ore on the market, a volume never equalled in its history of 37 years.

After a slack year in 1978, when exports were only 41.9m tonnes, the improved export performance is attributed to the acquisition of new markets in China, South Korea and Mexico, by Sir Elizer Batista, the CVRD.

IN BRIEF

R.F.D. GROUP (invaluable products, military software, textiles)—Results for year ended March 31, 1979, reported July 26 in preliminary statements with prospects. Group fixed assets £5.91m (£5.44m). Net current assets £5.79m (£5.52m). Net assets £12.8m (£10.2m). On 10p ordinary shares, profit reduced to £1.79m (£1.77m). Meeting, Winchester House, EC, September 14, at noon.

GROUP INVESTORS—Results for June 30, 1979 reported August 2. Group fixed assets £8.72m (£5.08m). Net current assets £2.51m (£4.12m). Net assets £11.23m (£9.20m). Cash resources fall by £3.7m (up £10.58m). On CCA basis, pre-tax profits £2.8m (£2.1m) compared with historical £2.5m (same). Meeting, Grosvenor Conference Centre, W, October 1, noon.

GIDDINGS AND LEWIS (FRASER)—Turnover for six months to June 30, 1979 £5,125,373 (£4,326,594). Net profit £216,228 (£178,000). Company is a wholly-owned subsidiary of Giddings and Lewis Inc. (USA).

GEORGE INGHAM AND CO. (HOLDINGS)—Turnover for half year to June 30, 1979, £1,091,425 (£1,023,409). Net profit £25,229 (£21,300) after £200,000 (same). Earnings per share 1.26p (£1.07p).

HAZLEWOODS (PROPRIETARY) (vegetable pickle and processor)—Results for year to March 31, 1979, and prospects reported August 2. Group fixed assets £1.02m (£760,582). Net current assets £1.19m (£560,957). Net bank overdraft decreased by £91,978 (£207,329) increased. Meeting, Grosvenor Conference Centre, W, October 1, noon.

CARRINGTON INVESTMENTS—Results for the year to March 31, 1979, reported August 4. Fixed assets £3,023m (£2,142,425). Current assets £1,423m (£1,707,009). Current liabilities £180,233 (£207,386). Meeting, Birmingham, on September 28 at noon.

BRADY INDUSTRIES (door maker)—Results for year to March 31, 1979, and prospects reported August 2. Group fixed assets £3.18m (£2.4m), net current assets £4.13m (£3.8m). Net bank overdraft £27,000 (£21,000). Earnings per share £0.003 (£0.003). Property revaluation resulted in £286,000 credit to capital reserve. Meeting, Manchester, September 19 at noon.

Johannesburg Consolidated Investment Company, Limited

(Incorporated in the Republic of South Africa)

UNAUDITED PROVISIONAL CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 1979

| INCOME STATEMENT | Notes | 1979 (Rm's) | 1978 (Rm's) |
|--|-------|----------------|----------------|
| Income from investments | (1) | 37.9 | 26.4 |
| Net sundry revenue | | 0.8 | 4.1 |
| Net interest received/(paid) | | 6.7 | (2.5) |
| Attributable trading profits of operating subsidiaries, after deducting R25.8m (1978—R21.7m) being depreciation, management fees, interest, taxation and minority share of profits | (2) | 5.6 | 9.5 |
| Surplus on realisation of investments less provisions, plus reversal of amounts over-provided in previous years | | 53.0 | 36.5 |
| Surplus on realisation of fixed assets | (3) | 3.8 | 14.6 |
| | | 4.0 | — |
| Deduct: | | 60.8 | 51.1 |
| Exploration expenditure less recoupments | | 2.8 | 3.8 |
| Depreciation | | 0.5 | 0.7 |
| Provision for loss on re-alignment of currencies | | 0.9 | 1.2 |
| Profit before taxation and extraordinary items | | 56.6 | 45.4 |
| Taxation | | 0.4 | 0.6 |
| Profit after taxation but before extraordinary items | (4) | 56.2 | 44.8 |
| Less Dividends: | | 22.7 | 14.7 |
| Preference dividends | | 4.5 | 2.6 |
| Ordinary dividends | | 3.6 | 2.8 |
| Interim of 50 cents (1978—40 cents) | | 14.6 | 9.3 |
| Final of 208 cents (1978—130 cents) | | — | — |
| Extraordinary items | | 35.5 | 30.1 |
| | | 0.5 | (44.4) |
| Balance transferred to/(from) reserves | | 34.0 | (14.2) |
| BALANCE SHEET | | | |
| Investments—at cost less provisions (at market or directors' valuation) | | 208.3 | 188.9 |
| Loans—less provisions | | (475.3) | (344.5) |
| Marketable properties and mining prospects | | 33.5 | 29.3 |
| Fixed assets | | 6.5 | 6.8 |
| Mining assets | | 63.3 | 50.2 |
| Goodwill arising on consolidation | | 26.8 | 18.0 |
| Current assets | | 2.6 | 2.3 |
| | | 199.4 | 148.6 |
| Deduct: Current liabilities | | 540.3 | 434.1 |
| | | 230.6 | 139.3 |
| | | 309.7 | 294.8 |
| Financed by: | | | |
| Ordinary shareholders' equity | | 204.5 | 170.1 |
| Preference share capital and premium | | 40.0 | 40.0 |
| Outside shareholders' interest in subsidiaries | | 16.0 | 16.0 |
| Long- and medium-term loans | | 41.2 | 63.2 |
| Deferred taxation | | 8.0 | 5.5 |
| | | 309.7 | 294.8 |
| Total number of ordinary shares issued | | 7,105,600 | 7,105,600 |
| Net asset value per share | (4) | R65.80 | R48.82 |

NOTES

- (1) Dividend income from all major investments improved significantly.
- (2) The profits of the major trading subsidiaries, Leaning Holdings and Tavistock Holdings, were materially better, but the trading losses of Steelrite Limited were such as to reduce the overall group trading profits compared with last year. The company has been delisted and is being reorganised. The extraordinary profit of R0.5m arises from this reorganisation.
- (3) The surplus on the realisation of fixed assets arose from the sale of the group's timber interests in the Eastern Transvaal.
- (4) In calculating the net asset value of R65.80 per share the excess of market or directors' valuation of subsidiary companies over their net book value has been included.

By Order of the Board,
ALBERT ROBINSON
F. J. L. WELLS

DIVIDEND NO. 107

A final dividend (No. 107) of 205 cents per share in the currency of the Republic of South Africa has been declared in respect of the year ended 30th June 1979. This dividend, together with dividend No. 106 of 50 cents per share paid in February 1979, makes the dividend declared out of profits for the year 255 cents per share (1978: 170 cents per share).

The dividend is payable to ordinary shareholders registered in the books of the company at the close of business on 21st September, 1979 and to persons presenting to the London Bearer Reception Office coupon No. 107 detached from share warrants to bearer in terms of a notice to be issued by the London Secretaries and published in October 1979.

The dividend is declared subject to conditions which can be inspected at or obtained from the company's Johannesburg Office, the office of the London Secretaries (Barnato Brothers Limited of 89, Bishopsgate, London EC2M 3XE) or the London Bearer Reception Office (40, Holborn Viaduct, London EC1P 1AJ).

Subject to the said conditions, payments by the London Secretaries and the London Bearer Reception Office will be made in United Kingdom currency at the rate of exchange quoted by the company's bankers on 8th October, 1979, provided that in the event of the company's bankers being unable to quote such a rate of exchange on that day, then the currency of the Republic shall be converted at the rate of exchange quoted by the company's bankers on the next succeeding day on which such a rate is quoted.

Dividend warrants will be posted from either the Johannesburg Office or the office of the London Secretaries, as appropriate, on 13th October, 1979.

South African Non-Resident Shareholders' Tax at the rate of 14.84% and United Kingdom Income Tax will be deducted from the dividend where applicable.

The share transfer books and register of members will be closed from 22nd to 28th September, 1979, both days inclusive.

By Order of the Board,
M. J. MEYER
Secretary.

Head Office and Registered Office,
Consolidated Building,
Corner Fox and Harrison Streets,
Johannesburg, 2001.
(P.O. Box 590,
Johannesburg, 2000.)
28th August, 1979.

A. Preedy looks to second half

Increasing overheads have not yet fully worked through and higher borrowing rates will make this a difficult year, particularly in the first half, says Mr. H. L. Preedy, chairman of Alfred Preedy and Sons in his annual statement.

However, the chairman stresses that because of the increased seasonal trading, by far the greater proportion of profits will be in the second half.

Mr. Preedy says that the tax cut will probably bring an upsurge in consumer demand, but the decision, taken in the interests of profitability, not to pursue price cutting competition in tobacco goods could restrict retail turnover.

He adds that the tax cut will probably bring an upsurge in consumer demand, but the decision, taken in the interests of profitability, not to pursue price cutting competition in tobacco goods could restrict retail turnover.

Midland Education, he states, fits in well with the diversification plans and should be a great asset to future progress.

Last year Preedy's taxable profits slipped from £1.21m to £1.17m due to increased overheads and pressure on margins which was mainly due to the tobacco price-cutting war.

The balance sheet at March 31 shows fixed assets at £5.8m (£4m) and net current assets of £1.35m (£1.14m). Stock is up from £5.8m to £8.8m and bank overdraft from £34,000 to £34,000. There is a net cash outflow of £4.3m, against a £1.2m inflow.

Meeting: Tipton, September 20, at 5.45 pm.

مكازن الأنجل

NOTICE OF REDEMPTION

to the holders of Debentures payable in American Currency of the issue designated

9½% Sinking Fund Debentures Series BQ due October 1, 1985 (herein called "Debentures") of the

QUEBEC HYDRO-ELECTRIC COMMISSION

PUBLIC NOTICE IS HEREBY GIVEN that the Quebec Hydro Electric Commission intends to and will redeem for SINKING FUND PURPOSES on October 1, 1979 pursuant to the provision of the Debentures, the following debentures as indicated, of the above-mentioned issue, at 100% of the principal amount plus accrued interest to the redemption date, namely:

Debentures bearing the Prefix BQ:

| | | | | | | | | | | | | | | | | |
|----|------|------|------|------|------|------|------|------|-------|-------|-------|-------|-------|-------|-------|-------|
| 1 | 574 | 1165 | 1732 | 2245 | 2819 | 3254 | 6718 | 5308 | 9679 | 11181 | 12137 | 12687 | 12163 | 12454 | 13907 | 14121 |
| 2 | 583 | 1174 | 1751 | 2252 | 2828 | 3263 | 6727 | 5317 | 9688 | 11190 | 12146 | 12696 | 12172 | 12463 | 13916 | 14130 |
| 3 | 591 | 1183 | 1760 | 2260 | 2837 | 3272 | 6736 | 5326 | 9711 | 11217 | 12180 | 12916 | 12185 | 12436 | 13911 | 14123 |
| 4 | 597 | 1191 | 1770 | 2270 | 2843 | 3281 | 6745 | 5335 | 9741 | 11248 | 12201 | 12940 | 12186 | 12437 | 13914 | 14125 |
| 5 | 603 | 1199 | 1779 | 2279 | 2852 | 3290 | 6754 | 5344 | 9770 | 11279 | 12232 | 12964 | 12187 | 12438 | 13917 | 14128 |
| 6 | 609 | 1207 | 1788 | 2288 | 2861 | 3299 | 6763 | 5353 | 9800 | 11310 | 12264 | 12988 | 12188 | 12439 | 13920 | 14131 |
| 7 | 615 | 1215 | 1797 | 2297 | 2870 | 3308 | 6772 | 5362 | 9830 | 11341 | 12296 | 13012 | 12189 | 12440 | 13923 | 14134 |
| 8 | 621 | 1223 | 1806 | 2306 | 2879 | 3317 | 6781 | 5371 | 9860 | 11372 | 12328 | 13036 | 12190 | 12441 | 13926 | 14137 |
| 9 | 627 | 1231 | 1815 | 2315 | 2888 | 3326 | 6790 | 5380 | 9890 | 11403 | 12360 | 13060 | 12191 | 12442 | 13929 | 14140 |
| 10 | 633 | 1239 | 1824 | 2324 | 2897 | 3335 | 6800 | 5389 | 9920 | 11434 | 12392 | 13084 | 12192 | 12443 | 13932 | 14143 |
| 11 | 639 | 1247 | 1833 | 2333 | 2906 | 3344 | 6809 | 5398 | 9950 | 11465 | 12424 | 13108 | 12193 | 12444 | 13935 | 14146 |
| 12 | 645 | 1255 | 1842 | 2342 | 2915 | 3353 | 6818 | 5407 | 9980 | 11496 | 12456 | 13132 | 12194 | 12445 | 13938 | 14149 |
| 13 | 651 | 1263 | 1851 | 2351 | 2924 | 3362 | 6827 | 5416 | 10010 | 11527 | 12488 | 13156 | 12195 | 12446 | 13941 | 14152 |
| 14 | 657 | 1271 | 1860 | 2360 | 2933 | 3371 | 6836 | 5425 | 10040 | 11558 | 12520 | 13180 | 12196 | 12447 | 13944 | 14155 |
| 15 | 663 | 1279 | 1869 | 2369 | 2942 | 3380 | 6845 | 5434 | 10070 | 11589 | 12552 | 13204 | 12197 | 12448 | 13947 | 14158 |
| 16 | 669 | 1287 | 1878 | 2378 | 2951 | 3389 | 6854 | 5443 | 10100 | 11620 | 12584 | 13228 | 12198 | 12449 | 13950 | 14161 |
| 17 | 675 | 1295 | 1887 | 2387 | 2960 | 3398 | 6863 | 5452 | 10130 | 11651 | 12616 | 13252 | 12199 | 12450 | 13953 | 14164 |
| 18 | 681 | 1303 | 1896 | 2396 | 2969 | 3407 | 6872 | 5461 | 10160 | 11682 | 12648 | 13276 | 12200 | 12451 | 13956 | 14167 |
| 19 | 687 | 1311 | 1905 | 2405 | 2978 | 3416 | 6881 | 5470 | 10190 | 11713 | 12680 | 13300 | 12201 | 12452 | 13959 | 14170 |
| 20 | 693 | 1319 | 1914 | 2414 | 2987 | 3425 | 6890 | 5479 | 10220 | 11744 | 12712 | 13324 | 12202 | 12453 | 13962 | 14173 |
| 21 | 699 | 1327 | 1923 | 2423 | 2996 | 3434 | 6900 | 5488 | 10250 | 11775 | 12744 | 13348 | 12203 | 12454 | 13965 | 14176 |
| 22 | 705 | 1335 | 1932 | 2432 | 3005 | 3443 | 6909 | 5497 | 10280 | 11806 | 12776 | 13372 | 12204 | 12455 | 13968 | 14179 |
| 23 | 711 | 1343 | 1941 | 2441 | 3014 | 3452 | 6918 | 5506 | 10310 | 11837 | 12808 | 13396 | 12205 | 12456 | 13971 | 14182 |
| 24 | 717 | 1351 | 1950 | 2450 | 3023 | 3461 | 6927 | 5515 | 10340 | 11868 | 12840 | 13420 | 12206 | 12457 | 13974 | 14185 |
| 25 | 723 | 1359 | 1959 | 2459 | 3032 | 3470 | 6936 | 5524 | 10370 | 11899 | 12872 | 13444 | 12207 | 12458 | 13977 | 14188 |
| 26 | 729 | 1367 | 1968 | 2468 | 3041 | 3479 | 6945 | 5533 | 10400 | 11930 | 12904 | 13468 | 12208 | 12459 | 13980 | 14191 |
| 27 | 735 | 1375 | 1977 | 2477 | 3050 | 3488 | 6954 | 5542 | 10430 | 11961 | 12936 | 13492 | 12209 | 12460 | 13983 | 14194 |
| 28 | 741 | 1383 | 1986 | 2486 | 3059 | 3497 | 6963 | 5551 | 10460 | 11992 | 12968 | 13516 | 12210 | 12461 | 13986 | 14197 |
| 29 | 747 | 1391 | 1995 | 2495 | 3068 | 3506 | 6972 | 5560 | 10490 | 12023 | 12999 | 13540 | 12211 | 12462 | 13989 | 14200 |
| 30 | 753 | 1400 | 2004 | 2504 | 3077 | 3515 | 6981 | 5569 | 10520 | 12054 | 13031 | 13564 | 12212 | 12463 | 13992 | 14203 |
| 31 | 759 | 1408 | 2013 | 2513 | 3086 | 3524 | 6990 | 5578 | 10550 | 12085 | 13062 | 13588 | 12213 | 12464 | 13995 | 14206 |
| 32 | 765 | 1416 | 2022 | 2522 | 3095 | 3533 | 7000 | 5587 | 10580 | 12116 | 13093 | 13612 | 12214 | 12465 | 13998 | 14209 |
| 33 | 771 | 1424 | 2031 | 2531 | 3104 | 3542 | 7009 | 5596 | 10610 | 12147 | 13124 | 13636 | 12215 | 12466 | 14001 | 14212 |
| 34 | 777 | 1432 | 2040 | 2540 | 3113 | 3551 | 7018 | 5605 | 10640 | 12178 | 13155 | 13660 | 12216 | 12467 | 14004 | 14215 |
| 35 | 783 | 1440 | 2049 | 2549 | 3122 | 3560 | 7027 | 5614 | 10670 | 12209 | 13186 | 13684 | 12217 | 12468 | 14007 | 14218 |
| 36 | 789 | 1448 | 2058 | 2558 | 3131 | 3569 | 7036 | 5623 | 10700 | 12240 | 13217 | 13708 | 12218 | 12469 | 14010 | 14221 |
| 37 | 795 | 1456 | 2067 | 2567 | 3140 | 3578 | 7045 | 5632 | 10730 | 12271 | 13248 | 13732 | 12219 | 12470 | 14013 | 14224 |
| 38 | 801 | 1464 | 2076 | 2576 | 3149 | 3587 | 7054 | 5641 | 10760 | 12302 | 13279 | 13756 | 12220 | 12471 | 14016 | 14227 |
| 39 | 807 | 1472 | 2085 | 2585 | 3158 | 3596 | 7063 | 5650 | 10790 | 12333 | 13310 | 13780 | 12221 | 12472 | 14019 | 14230 |
| 40 | 813 | 1480 | 2094 | 2594 | 3167 | 3605 | 7072 | 5659 | 10820 | 12364 | 13341 | 13804 | 12222 | 12473 | 14022 | 14233 |
| 41 | 819 | 1488 | 2103 | 2603 | 3176 | 3614 | 7081 | 5668 | 10850 | 12395 | 13372 | 13828 | 12223 | 12474 | 14025 | 14236 |
| 42 | 825 | 1496 | 2112 | 2612 | 3185 | 3623 | 7090 | 5677 | 10880 | 12426 | 13403 | 13852 | 12224 | 12475 | 14028 | 14239 |
| 43 | 831 | 1504 | 2121 | 2621 | 3194 | 3632 | 7100 | 5686 | 10910 | 12457 | 13434 | 13876 | 12225 | 12476 | 14031 | 14242 |
| 44 | 837 | 1512 | 2130 | 2630 | 3203 | 3641 | 7109 | 5695 | 10940 | 12488 | 13465 | 13900 | 12226 | 12477 | 14034 | 14245 |
| 45 | 843 | 1520 | 2139 | 2639 | 3212 | 3650 | 7118 | 5704 | 10970 | 12519 | 13496 | 13924 | 12227 | 12478 | 14037 | 14248 |
| 46 | 849 | 1528 | 2148 | 2648 | 3221 | 3659 | 7127 | 5713 | 11000 | 12550 | 13527 | 13948 | 12228 | 12479 | 14040 | 14251 |
| 47 | 855 | 1536 | 2157 | 2657 | 3230 | 3668 | 7136 | 5722 | 11030 | 12581 | 13558 | 13972 | 12229 | 12480 | 14043 | 14254 |
| 48 | 861 | 1544 | 2166 | 2666 | 3239 | 3677 | 7145 | 5731 | 11060 | 12612 | 13589 | 14000 | 12230 | 12481 | 14046 | 14257 |
| 49 | 867 | 1552 | 2175 | 2675 | 3248 | 3686 | 7154 | 5740 | 11090 | 12643 | 13620 | 14024 | 12231 | 12482 | 14049 | 14260 |
| 50 | 873 | 1560 | 2184 | 2684 | 3257 | 3695 | 7163 | 5749 | 11120 | 12674 | 13651 | 14048 | 12232 | 12483 | 14052 | 14263 |
| 51 | 879 | 1568 | 2193 | 2693 | 3266 | 3704 | 7172 | 5758 | 11150 | 12705 | 13682 | 14072 | 12233 | 12484 | 14055 | 14266 |
| 52 | 885 | 1576 | 2202 | 2702 | 3275 | 3713 | 7181 | 5767 | 11180 | 12736 | 13713 | 14096 | 12234 | 12485 | 14058 | 14269 |
| 53 | 891 | 1584 | 2211 | 2711 | 3284 | 3722 | 7190 | 5776 | 11210 | 12767 | 13744 | 14120 | 12235 | 12486 | 14061 | 14272 |
| 54 | 897 | 1592 | 2220 | 2720 | 3293 | 3731 | 7200 | 5785 | 11240 | 12798 | 13775 | 14144 | 12236 | 12487 | 14064 | 14275 |
| 55 | 903 | 1600 | 2229 | 2729 | 3302 | 3740 | 7209 | 5794 | 11270 | 12829 | 13806 | 14168 | 12237 | 12488 | 14067 | 14278 |
| 56 | 909 | 1608 | 2238 | 2738 | 3311 | 3749 | 7218 | 5803 | 11300 | 12860 | 13837 | 14192 | 12238 | 12489 | 14070 | 14281 |
| 57 | 915 | 1616 | 2247 | 2747 | 3320 | 3758 | 7227 | 5812 | 11330 | 12891 | 13868 | 14216 | 12239 | 12490 | 14073 | 14284 |
| 58 | 921 | 1624 | 2256 | 2756 | 3329 | 3767 | 7236 | 5821 | 11360 | 12922 | 13899 | 14240 | 12240 | 12491 | 14076 | 14287 |
| 59 | 927 | 1632 | 2265 | 2765 | 3338 | 3776 | 7245 | 5830 | 11390 | 12953 | 13930 | 14264 | 12241 | 12492 | 14079 | 14290 |
| 60 | 933 | 1640 | 2274 | 2774 | 3347 | 3785 | 7254 | 5839 | 11420 | 12984 | 13961 | 14288 | 12242 | 12493 | 14082 | 14293 |
| 61 | 939 | 1648 | 2283 | 2783 | 3356 | 3794 | 7263 | 5848 | 11450 | 13015 | 13992 | 14312 | 12243 | 12494 | 14085 | 14296 |
| 62 | 945 | 1656 | 2292 | 2792 | 3365 | 3803 | 7272 | 5857 | 11480 | 13046 | 14023 | 14336 | 12244 | 12495 | 14088 | 14299 |
| 63 | 951 | 1664 | 2301 | 2801 | 3374 | 3812 | 7281 | 5866 | 11510 | 13077 | 14054 | 14360 | 12245 | 12496 | 14091 | 14302 |
| 64 | 957 | 1672 | 2310 | 2810 | 3383 | 3821 | 7290 | 5875 | 11540 | 13108 | 14085 | 14384 | 12246 | 12497 | 14094 | 14305 |
| 65 | 963 | 1680 | 2319 | 2819 | 3392 | 3830 | 7300 | 5884 | 11570 | 13139 | 14116 | 14408 | 12247 | 12498 | 14097 | 14308 |
| 66 | 969 | 1688 | 2328 | 2828 | 3401 | 3839 | 7309 | 5893 | 11600 | 13170 | 14147 | 14432 | 12248 | 12499 | 14100 | 14311 |
| 67 | 975 | 1696 | 2337 | 2837 | 3410 | 3848 | 7318 | 5902 | 11630 | 13201 | 14178 | 14456 | 12249 | 12500 | 14103 | 14314 |
| 68 | 981 | 1704 | 2346 | 2846 | 3419 | 3857 | 7327 | 5911 | 11660 | 13232 | 14209 | 14480 | 12250 | 12501 | 14106 | 14317 |
| 69 | 987 | 1712 | 2355 | 2855 | 3428 | 3866 | 7336 | 5920 | 11690 | 13263 | 14240 | 14504 | 12251 | 12502 | 14109 | 14320 |
| 70 | 993 | 1720 | 2364 | 2864 | 3437 | 3875 | 7345 | 5929 | 11720 | 13294 | 14271 | 14528 | 12252 | 12503 | 14112 | 14323 |
| 71 | 999 | 1728 | 2373 | 2873 | 3446 | 3884 | 7354 | 5938 | 11750 | 13325 | 14302 | 14552 | 12253 | 12504 | 14115 | 14326 |
| 72 | 1005 | 1736 | 2382 | 2882 | 3455 | 3893 | 7363 | 5947 | 11780 | 13356 | 14333 | 14576 | 12254 | 12505 | 14118 | 14329 |
| 73 | 1011 | 1744 | 2391 | 2891 | 3464 | 3902 | 7372 | 5956 | 11810 | 13387 | 14364 | 14600 | 12255 | 12506 | 14121 | 14332 |
| 74 | 1017 | 1752 | 2400 | 2900 | 3473 | 3911 | 7381 | 5965 | 11840 | 13418 | 14395 | 14624 | 12256 | 12507 | 14124 | 14335 |
| 75 | 1023 | 1760 | 2409 | 2909 | 3482 | 3920 | 7390 | 5974 | 11870 | 13449 | 14426 | 14648 | 12257 | 12508 | 14127 | 14338 |
| 76 | 1029 | 1768 | 2418 | 2918 | 3491 | 3929 | 7400 | 5983 | 11900 | 13480 | 14457 | 14672 | 12258 | 12509 | 14130 | 14341 |
| 77 | 1035 | 1776 | 2427 | 2927 | 3500 | 3938 | 7409 | 5992 | 119 | | | | | | | |

Increases in st trial

Andresens Bank sued by property group

By Fay Gjerster in Oslo

ack steel

h quarter

ANDRESENS BANK, a Norwegian commercial bank, which is currently in merger negotiations with a larger Norwegian bank, is being sued for Kr 85.5m (\$17m) by an Oslo property group which is one of the largest single customers here in speculation in Oslo.

The property group, Egenstiftelsen A/S and Associated companies, controlled by lawyer Mr. Torbjørn Hanisch, has been a big power in the bank's decision to liquidate. It has recently received liquidity problems in connection with one of its major building projects—a combined warehouse and office complex. Mr. Hanisch alleges that the bank owes him Nkr 31.5m for financing costs incurred on projects involving six major groups of properties, and that the bank roughly holds mortgages worth Kr 24m, on some of the group's properties, as security for some of its loans to the group. Another part of his claim concerns Nkr 20m of interest charged by Andresens on some loans. Mr. Hanisch says this repaid, on the grounds that the bank promised to roll up this interest until the project involved had been completed.

The bank says it completely rejects Mr. Hanisch's assertions which it claims are erroneous and/or without foundation. It will present its reply to the court "some time next week, at the earliest".

Christiania Bank's managing director, Mr. Tor Moursund, said Mr. Hanisch's law suit would not affect the timetable of its merger negotiations with Andresens, which were continuing. He would not say whether Andresens' problems with the property group would complicate the talks.

By Our Financial Staff

Van Ommeren jumps back into profit

DUCHER SHIPPING and storage company, Van Ommeren, has made a strong recovery in the first half of 1979 to record a consolidated net profit of \$1.18m (\$2.4m) against a loss of \$1.17m in the comparable period last year.

The gross income was \$1.38m, compared with \$1.35m a year ago and \$1.55m for the whole of 1978. The latest interim income figure includes a \$1.15m contribution from the shipping operations against \$1.38m a year ago and \$1.20m from tankage activities compared with \$1.1m at the halfway mark last year.

The agency and transport division made a satisfactory contribution to results according to the company while shipping and insurance activities showed modest results while shipping favourably.

Van Ommeren said it has opened a new operation in Singapore and plans to follow it soon with activities in Hong Kong and Mexico. It also plans to split its \$1.1m nominal area into \$1.10 units to help riding on the bourse.

The company has decided to pay an interim dividend of \$1.10 for each \$1.10 share on September 14. It last paid a \$1.10 total dividend for 1978.

By Our Financial Staff

PAINE WEBBER INC.

Paine Webber Mitchell Hutchins International Inc.
Paine Webber Jackson & Curtis Securities Ltd.

have moved their London office to:
11/12 Finsbury Square,
London EC2A 1AS
Telephone: 01-628 2050
Telex: 885803 Equity Dept.
885539 Eurobond Dept.

By Our Financial Staff

ALLEN HARVEY & ROSS INVESTMENT MANAGEMENT LTD.
45 Cornhill, London EC3V 3PB. Tel. 01-623 6314
Index Guide as at August 23, 1979
Capital: Fixed Interest Portfolio 116.91
Income: Fixed Interest Portfolio 105.00

Buoyant foreign sales lift first-half results at Bayer

By JONATHAN CARE IN BONN

BAYER, the big West German chemical concern, has followed its two main domestic rivals BASF and Hoechst in announcing a sharp increase in profits and sales for the first half of 1979.

Group pre-tax profit rose by 45.7 per cent to DM 810m (\$443m) compared with the first half of 1978, on sales up by 13.4 per cent to DM 13.3bn. Parent company pre-tax profit rose by 25 per cent to DM 475m on sales up by 13.5 per cent to DM 5.9bn.

Bayer notes that it could not wholly pass on the sharp increases in its raw materials and energy costs. But it has substantially increased volume sales, thus bringing better use of production capacity and an improvement in profitability.

Toa Kyoseki debt plan agreed

By RICHARD C. HANSON IN TOKYO

THE MAJOR shareholders of Toa Kyoseki, a financially troubled oil refiner, have agreed on a basic formula for transferring management rights and majority ownership to Nippon Mining Company, clearing the way for the disposal of Toa Kyoseki's debts which total more than ¥50bn (\$225m).

The agreement also allows talks to begin on the future of Toa Oil Company, which owns 49.17 per cent of Toa Kyoseki, and has been hit by debts of its own. It is suggested that Toa Oil will eventually be taken over by Showa Oil, a half-owned subsidiary of the Royal Dutch Shell group.

The first step agreed on by C. Itoh and Co. (which owns 38.85 per cent of Toa Oil and together with Toa, a 64.17 per cent share of Toa Kyoseki), with Toa Oil and Nippon Mining will mean a 100 per cent cut in Toa Kyoseki's ¥12bn capital followed by a transfer of shares to Nippon Mining. Nippon Mining is the largest shareholder in Kyodo Oil, a joint marketing company which was a co-founder of Toa Kyoseki in 1973 along with C. Itoh.

The next step will be an increase in capital for Toa Kyoseki at a yet to be decided date with the new capital owned more than 50 per cent by Nippon Mining.

The shareholders are working out a rather complicated formula for settling the debt problem. At the time Kyoseki's management is transferred to Nippon Mining they have agreed to evaluate its tangible assets such as manufacturing facilities at ¥30bn.

This is about ¥10bn more than the actual book value and Toa Kyoseki will carry forward the resulting loss when it is transferred. This ¥10bn can then be used along with the ¥12bn in capital to reduce the overall amount of debt which the shareholders will have to dispose of through write-offs or other means. A simple calculation puts this figure at ¥25bn, but there has been no decision yet as to how it will be distributed.

While Toa Kyoseki is being transferred it will acquire as an asset a ¥26.5bn oil refinery site from Toa Oil which it presently rents. Toa Oil will also give over a share of its oil refining and sales business to Kyoseki.

from importing oil into Japan. The dollar's recovery above the 200 yen level this year has also aided the recovery.

The favourable performance is expected to continue during the latter half of the year, bringing sales up to about ¥500bn from ¥294bn last year, while net profit rises to ¥5bn from ¥1.3bn.

It is expected that the dividend will be doubled to ¥60 per share from ¥30 last year. Arabian Oil said it may have to cut its crude oil supply to Japanese and overseas customers to a considerable extent in the fourth quarter this year, Reuter adds from Tokyo.

This would follow the acceptance of a notice from the Kuwaiti Government to offer for direct sales the oil it can obtain from its participation in Arabian Oil's operations for the quarter beginning this October.

Arabian Oil is now allowed to buy back participation oil from Kuwait totalling 120,000 barrels per day, or about 30 per cent of its total output in the neutral zone between Kuwait and Saudi Arabia.

However, the Kuwait action may result in a drastic cutback in the participation oil purchased from this October and affect Arabian Oil's exports to users in Brazil and South Korea.

Arabian Oil said it is producing about 400,000 barrels per day of crude oil from areas off Kuwait and Saudi Arabia on concession contracts with the two governments which started about 20 years ago.

By Our Financial Staff

ringgit a share for the shares currently held by its Copenhagen based parent, East Asiatic Company. The Malaysian company will also buy 2.8m shares in Viking Askin—35 per cent of the issued capital—from the Copenhagen company.

Total cost of the purchases will be 25.07m ringgit and the balance of funds raised will be used to reduce borrowings and facilitate further expansion.

East Asiatic Copenhagen, which has a 65 per cent interest in the Malaysian subsidiary will take its entitlement by subscribing 21.94m ringgit.

Kulim Malaysia is issuing one new share for every five held to raise nearly 18m ringgit. The funds will enable the group to reduce its losses and will add to working capital needed for its development plans, writes Wong Sulong from Kuala Lumpur.

The rights issue is to be made at 1.3 ringgit per share, compared with Kulim's share price of 2.08 ringgit at yesterday's close on the Kuala Lumpur Exchange.

In the same announcement, directors said the group's pre-tax profits for 1979 is expected to be around 15.5m ringgit compared with 7.6m in 1978. Like other plantation companies, Kulim's anticipated results are based on higher output and favourable commodity prices.

Directors expect gross dividends of not less than 34 per cent for this year on the increased capital against 23 per cent last year.

At the end of 1978, Kulim had outstanding loans and bank overdrafts amounting to over 36m ringgit, equivalent to 31 per cent of shareholders' funds. Among the major development plans on which it is embarking is the building of a township at Ulu Tiram in Johore State, and expansion of its palm oil refinery.

SVENSKA FLAECT, the Swedish industrial ventilation and pollution control group, still expects 1979 pre-tax earnings to top last year's SKr 78.2m (US\$18.6m) despite a first-half figure of a mere SKr 1.9m compared with SKr 32.8m for January-June last year.

Involved sales in the first half totalled SKr 1.4bn, only marginally above the SKr 1.34bn for the period in 1978. Flaect nonetheless predicts considerably higher invoicing and better capacity utilisation during the second half. Gross sales last year were SKr 3.14bn, of which 78 per cent were to markets outside Sweden.

"During an economic recovery, the capital goods sold by Flaect are installed at a relatively late stage, so that it is often a long time from reception of an order until it is invoiced," the company said. Though first-half orders at SKr 1.88bn were only slightly above the corresponding figure

for last year, the group's order backlog during 1978 and the first six months of 1979 has grown by about SKr 750m to SKr 3.74bn.

"It is only during the second half of 1979 that this build-up in order backlog will have a major impact on invoicing and on earnings," Flaect stated.

The industrial group, which last year accounted for nearly three-quarters of Flaect's consolidated operating earnings of SKr 57.6m, went through a noticeable downturn in profitability during the 12 months ended in June but it "now seems to have passed, with recovery during the second half of 1979 and prospects for improved earnings in 1980."

In early July Flaect acquired the remaining 30 per cent of Gadellus Trading Company to become sole owner. Gadellus, with its main operations in the Far East, is expected to show earnings roughly in line with last year's SKr 12m.

Court to hear Bank of Adelaide application

By James Farth in Sydney

THE PROPOSED merger of the ANZ banking group with the smaller and ailing Bank of Adelaide moved a step closer following a ruling on Monday by the full bench of the Supreme Court of South Australia. Two of the three judges ruled that they have the authority to hear and grant application for a meeting of Bank of Adelaide shareholders to consider the merger.

Earlier this month, Mr. Justice Zelling of the Supreme Court ruled that he had no jurisdiction to hear the proposed merger because it was in effect a takeover and needed to comply with the take-over provisions of the Companies Act. The senior judge, Mr. Justice Wells said that he and Judge Leggo considered the court had jurisdiction to "entertain the application," but the third judge, Mr. Justice White, was not satisfied that it had. The matter was adjourned to a date to be fixed and a further sitting will now have to be held to consider the application.

THE RECENT removal of tax benefits, industrial disruptions and expansion costs, have combined to inflict the first profit setback in eight years for the major retail group, Woolworths. Despite a 16 per cent lift in sales to A\$925m (U.S.\$1,040m), earnings fell by 15.2 per cent to A\$11m (U.S.\$12.4m) in the half year to August 1.

Profit was severely affected by a four week strike by storemen and packers and the cost of opening a number of Big W discount stores (nine stores have been open less than a year) pushed Big W into losses. The directors are confident of the long term benefits of discount store trading and said that pre-tax profit would have risen 14 per cent if these development costs had been excluded.

In the last full year to January 31 Woolworths pushed earnings up 18 per cent to A\$34.2m, to make the eighth consecutive record. Despite the downturn, the interim dividend is held at 3.5 cents a share.

Tax hits Metro Holdings

By George Lee in Singapore

METRO HOLDINGS, the major Singapore department store operators, has reported a 6.6 per cent decline in group post-tax profit of \$84.13m (U.S.\$1.9m) for the year ended March 1979.

Profit at the pre-tax level was about 7 per cent higher at \$87.77m but the tax provision rose by 28 per cent to \$3.65m.

To the shareholders of AGA AKTIEBOLAG

AGA

BONUS ISSUE 1979

Increase of share capital

On the 31st of May 1979, the Ordinary General Meeting of Shareholders of AGA AB resolved an increase in the share capital of the Company through a bonus issue of shares, from Skr 257,188,000 to Skr 303,625,600 by transfer from the legal reserve and from retained earnings.

New shares

For each five shares held, shareholders are entitled to receive one new share of the same series. Existing free shares entitle to new free shares and existing restricted shares entitle to new restricted shares.

Dividends

Holders of new shares are entitled to any dividend payable in respect of the fiscal year 1979 and subsequent years.

Stamp duty

Stamp duty on the issue of the new shares is paid by the Company.

Distribution of certificates

On September 3rd, 1979, Värdepapperscentralen VPC AB, in its capacity as registrar for AGA AB, will distribute new share certificates and, where applicable, fractional certificates directly to shareholders or their nominees which on August 20th, 1979, the Record Date, are entered on the shareholder register maintained by VPC or in the special VPC register in which persons with special interests in shares of the Company are recorded. Unless instructed otherwise VPC will issue one share certificate for the number of new shares each shareholder is entitled to. Holders of less than five shares and holders of any number of shares not divisible by five will each receive one fractional certificate representing a number of fractional rights to one new share ("fractions"), corresponding to the number of shares held or to the number of shares held in excess of a number divisible by five, respectively.

Holdings of fractional certificates representing a total of five fractions entitle to one new share. To obtain new share certificates in exchange for fractional certificates holders should deliver their fractional certificates together with a registration form to:

Svenska Handelsbanken
Emissionsavdelningen
S-103 28 Stockholm

Fractional certificates and registration forms can also be delivered to any branch office of Svenska Handelsbanken for forwarding free of charge.

On delivery for exchange into new share certificates, fractional certificates must be transferred in blank unless issued by VPC to the person to be registered as holder of the new share(s). Trading in fractions will take place on the Stockholm stock market from September 4th to October 12th, 1979 (inclusive). Fractional certificates and registration forms should be delivered to Svenska Handelsbanken no later than October 12th, 1979. Svenska Handelsbanken and other members of the Stockholm Stock Exchange will execute orders to buy and sell fractions.

Application will be made to the Council of the Stock Exchange in London for the new shares to be admitted to the Official list.

Lidingö, August 1979

AGA AKTIEBOLAG

The Board of Directors

NEW ISSUE

These notes having been sold, this announcement appears as a matter of record only.

Banco Latinoamericano de Exportaciones S.A.



U.S. \$25,000,000
Floating Rate Notes Due 1984

Merrill Lynch International & Co.

Algemeine Bank Nederland N.V. Bank of America International Limited
Bank of Tokyo and Detroit (International) Limited Dresdner Bank Aktiengesellschaft
First Chicago Panama S.A. Lloyds Bank International Limited
Société Générale de Banque S.A.

| | | | |
|---|---|--|---|
| Ahli Bank of Kuwait (K.S.C.) | Allied Irish Investment Bank Limited | American Express Bank International Group | Amsterdam-Rotterdam Bank N.V. |
| Banco Commerciale Italiana | Banco di Sicilia | Bank Julius Baer International Limited | Bank Gutzwiler, Kurz, Buegener (Overseas) Limited |
| Bank Leu International Ltd. | Bank Mees & Hope NV | Banque Arabe et Internationale d'Investissement (B.A.I.I.) | |
| Banque Bruxelles Lambert S.A. | Banque de Neufville, Schlumberger, Mallet | Banque de Paris et des Pays-Bas | |
| Banque de l'Union Européenne | Banque Worms | Berliner Handels- und Frankfurter Bank | |
| Carnegie & Co. | Cassa Manhattan Limited | Chemical Bank International Group | Christiania Bank og Kreditkasse |
| Continental Illinois Limited | Copenhagen Handelsbank | County Bank Limited | Creditanstalt-Bankverein |
| Credit Commercial de France | Credit Lyonnais | Dai-ichi Kangyo Bank Nederland N.V. | Daiva Europe N.V. |
| Richard Dues & Co. Bankiers (succesors Hans W. Petersen) | Des norske Creditbank | Deutsch-Südamerikanische Bank Aktiengesellschaft | Robert Fleming & Co. Limited |
| Fuji International Finance Limited | Genossenschaftliche Zentralbank AG Vienna | Girozentrale und Bank der österreichischen Sparkassen Aktiengesellschaft | |
| Goldman Sachs International Corp. | Hambros Bank Limited | IBJ International Limited | International Mexican Bank Limited -INTERMEX- |
| Kansallis-Osake-Pankki | Kleinwort, Benson Limited | Kreditbank N.V. | |
| Kuwait Foreign Trading, Contracting & Investment Co. (S.A.K.) | | Kuwait International Investment Co. s.a.k. | |
| Latin Bank International S.A. | Manufacturers Hanover Limited | The Mitsubishi Bank (Europe) S.A. | Mitsui Finance Europe Limited |
| The Nikko Securities Co. (Europe) Ltd. | Nippon European Bank S.A. | Nomura Europe N.V. | |
| Norddeutsche Landesbank Girozentrale | Orion Bank Limited | Pierson, Helderling & Pierson N.V. | Postipankki |
| Privatbanken Aktiengesellschaft | Rothschild Bank AG | N.M. Rothschild & Sons Limited | The Royal Bank of Canada (London) Limited |
| Salomon Brothers International | Saawa Bank (Underwriters) Limited | Scandinavian Bank Limited | J. Henry Schroder Wagg & Co. Limited |
| Skandinaviska Enskilda Banken | Smith Barney, Harris Upham & Co. Incorporated | Société Bancaire Barclays (Suisse) S.A. | |
| Société Générale | Sumitomo Finance International | Swiss Bank Corporation (Overseas) Limited | Trade Development Bank, London Branch |
| Union Bank of Finland Ltd. | Vereins- und Westbank Aktiengesellschaft | M.M. Warburg-Brinckmann, Wirtz & Co. | S.G. Warburg & Co. Ltd. |
| Wood Gundy Limited | | Yamachi International (Nederland) N.V. | |

August 22, 1979

All of these securities having been sold, this announcement appears as a matter of record only.



New Issue / August, 1979

The Charter Company

5,000,000 Convertible Depositary Preferred Shares

each representing 1/5th share of

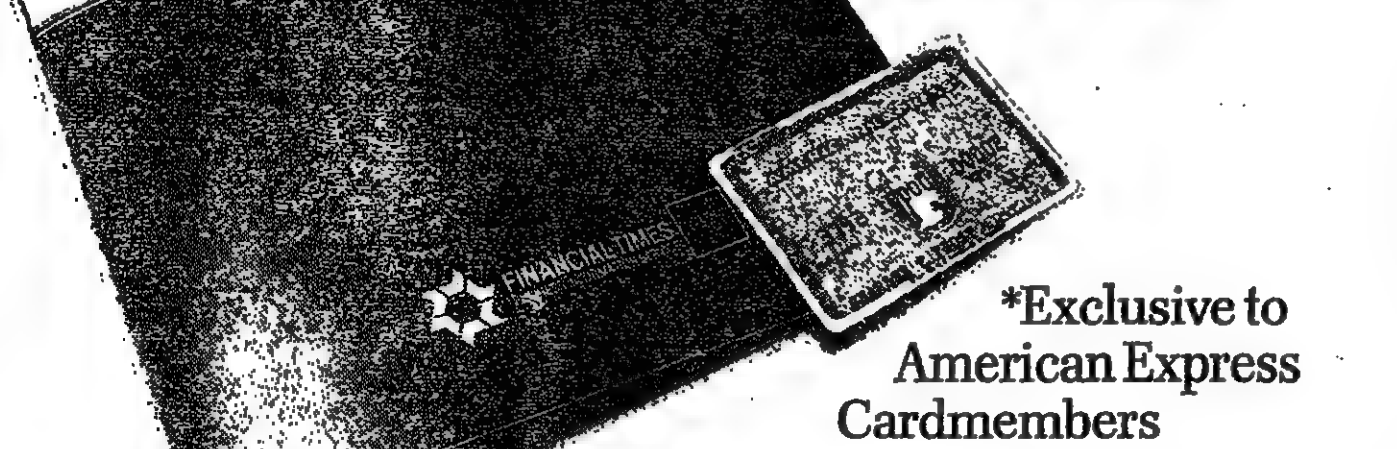
8 1/4% Cumulative Convertible Preferred Stock

Convertible into Common Stock of The Charter Company at \$44 per share, subject to adjustment under certain conditions.

E. F. Hutton & Company Inc.

| | | |
|--|---|---|
| Bache Halsey Stuart Shields Incorporated | Bear, Stearns & Co. Incorporated | Blyth Eastman Dillon & Co. Incorporated |
| Donaldson, Lufkin & Jenrette Securities Corporation | Drexel Burnham Lambert Incorporated | Kidder, Peabody & Co. Incorporated |
| Lazard Frères & Co. Incorporated | Lehman Brothers Kuhn Loeb Incorporated | Loeb Rhoades, Hornblower & Co. Incorporated |
| Paine, Webber, Jackson & Curtis Incorporated | | L. F. Rothschild, Unterberg, Towbin Incorporated |
| Shearson Hayden Stone Inc. | | Smith Barney, Harris Upham & Co. Incorporated |
| Wertheim & Co., Inc. | | Dean Witter Reynolds Inc. |
| ABD Securities Corporation | Atlantic Capital Corporation | Basle Securities Corporation |
| EuroPartners Securities Corporation | Robert Fleming Incorporated | Kleinwort, Benson Incorporated |
| New Court Securities Corporation | | Scandinavian Securities Corporation |
| Daiwa Securities America Inc. | | The Nikko Securities Co. International, Inc. |
| Nomura Securities International, Inc. | | Yamaichi International (America), Inc. |
| New Japan Securities International Inc. | | Nippon Kangyo Kakumaru International, Inc. |

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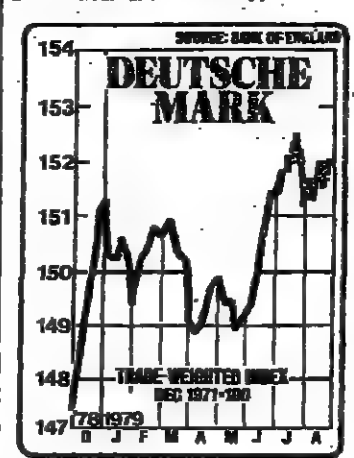
Companies
and Markets

CURRENCIES, MONEY and GOLD

Sterling firm, dollar quiet

Sterling improved in otherwise quiet foreign exchange trading yesterday. The pound continued its advance on Monday when the London market was closed, and touched a best level of \$2.2535-2.2535 in the afternoon. It opened at \$2.2405-2.2415, and closed at \$2.2490-2.2500, a rise of 1.80 cents from Friday, but an

improvement of only 4 cents from Monday's first in New York. Sterling's trade-weighted index, as calculated by the Bank of England, rose to 71.9 from 71.5 on Friday, after standing at 71.7 at noon and 71.6 in early trading. The dollar's index, on Bank of England figures, rose to 84.9 from 84.7 on Friday.



NEW YORK - The dollar traded quietly ahead of the U.S. trade figures. The dollar was quoted at \$1.5795 against the yen in late trading, unchanged from the fixing. Sterling improved to \$1.5787 from \$1.5781, but the lira was firmer against members of the European Monetary Union. The U.S. trade figures for July were not expected to contain any surprises, and were announced too late to affect European trading. The U.S. currency moved within a very narrow range of DM 1.8300 to DM 1.8310 before the fixing. Sterling was again more active, showing wider movements than other major currencies.

MILAN - The dollar was quoted at \$1.5795 against the lira in late trading, unchanged from the fixing. Sterling improved to \$1.5787 from \$1.5781, but the lira was firmer against members of the European Monetary Union. The U.S. trade figures for July were not expected to contain any surprises, and were announced too late to affect European trading. The U.S. currency moved within a very narrow range of DM 1.8300 to DM 1.8310 before the fixing. Sterling was again more active, showing wider movements than other major currencies.

TOKYO - An estimated \$150m to \$200m was sold by the Bank of Japan to support the Japanese yen as it continued to decline against the U.S. dollar yesterday. This followed sales of about \$100m to \$150m by the Japanese authorities on Monday.

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THE POUND SPOT AND FORWARD

| Aug. 28 | Day's spread | Close | One month | Three months |
|-------------|---------------|---------------|--------------|--------------|
| U.S. | 2.2405-2.2535 | 2.2490-2.2500 | 0.30-0.32 pm | 1.20-1.25 pm |
| Canada | 2.2405-2.2535 | 2.2490-2.2500 | 0.30-0.32 pm | 1.20-1.25 pm |
| Belgium | 65.85-66.20 | 65.95-66.05 | 15-16 pm | 4.22-4.25 pm |
| Denmark | 11.81-11.85 | 11.82-11.83 | 20-21 pm | 1.81-1.83 pm |
| France | 1.020-1.025 | 1.021-1.022 | 20-21 pm | 1.81-1.83 pm |
| Germany | 1.830-1.835 | 1.831-1.832 | 20-21 pm | 1.81-1.83 pm |
| Italy | 1.830-1.835 | 1.831-1.832 | 20-21 pm | 1.81-1.83 pm |
| Netherlands | 1.830-1.835 | 1.831-1.832 | 20-21 pm | 1.81-1.83 pm |
| Spain | 1.830-1.835 | 1.831-1.832 | 20-21 pm | 1.81-1.83 pm |
| Sweden | 1.830-1.835 | 1.831-1.832 | 20-21 pm | 1.81-1.83 pm |
| Switzerland | 1.830-1.835 | 1.831-1.832 | 20-21 pm | 1.81-1.83 pm |
| U.K. | 1.830-1.835 | 1.831-1.832 | 20-21 pm | 1.81-1.83 pm |

THE DOLLAR SPOT AND FORWARD

| Aug. 28 | Day's spread | Close | One month | Three months |
|-------------|---------------|---------------|--------------|--------------|
| U.S. | 2.2405-2.2535 | 2.2490-2.2500 | 0.30-0.32 pm | 1.20-1.25 pm |
| Canada | 2.2405-2.2535 | 2.2490-2.2500 | 0.30-0.32 pm | 1.20-1.25 pm |
| Belgium | 65.85-66.20 | 65.95-66.05 | 15-16 pm | 4.22-4.25 pm |
| Denmark | 11.81-11.85 | 11.82-11.83 | 20-21 pm | 1.81-1.83 pm |
| France | 1.020-1.025 | 1.021-1.022 | 20-21 pm | 1.81-1.83 pm |
| Germany | 1.830-1.835 | 1.831-1.832 | 20-21 pm | 1.81-1.83 pm |
| Italy | 1.830-1.835 | 1.831-1.832 | 20-21 pm | 1.81-1.83 pm |
| Netherlands | 1.830-1.835 | 1.831-1.832 | 20-21 pm | 1.81-1.83 pm |
| Spain | 1.830-1.835 | 1.831-1.832 | 20-21 pm | 1.81-1.83 pm |
| Sweden | 1.830-1.835 | 1.831-1.832 | 20-21 pm | 1.81-1.83 pm |
| Switzerland | 1.830-1.835 | 1.831-1.832 | 20-21 pm | 1.81-1.83 pm |
| U.K. | 1.830-1.835 | 1.831-1.832 | 20-21 pm | 1.81-1.83 pm |

CURRENCY MOVEMENTS

| Aug. 28 | Bank of England | Morgan Stanley | Aug. 28 | Bank of England | Morgan Stanley |
|--------------------|-----------------|----------------|--------------------|-----------------|----------------|
| U.S. dollar | 71.9 | 84.9 | U.S. dollar | 71.9 | 84.9 |
| Canadian dollar | 71.9 | 84.9 | Canadian dollar | 71.9 | 84.9 |
| French franc | 148.2 | 148.2 | French franc | 148.2 | 148.2 |
| German mark | 148.2 | 148.2 | German mark | 148.2 | 148.2 |
| Italian lira | 148.2 | 148.2 | Italian lira | 148.2 | 148.2 |
| Dutch guilder | 148.2 | 148.2 | Dutch guilder | 148.2 | 148.2 |
| Swiss franc | 148.2 | 148.2 | Swiss franc | 148.2 | 148.2 |
| Japanese yen | 148.2 | 148.2 | Japanese yen | 148.2 | 148.2 |
| South African rand | 148.2 | 148.2 | South African rand | 148.2 | 148.2 |

OTHER MARKETS

| Aug. 28 | Aug. 28 | Aug. 28 | Aug. 28 | Aug. 28 | Aug. 28 |
|---------------------|-------------|-------------|---------------------|-------------|-------------|
| Argentina peso | 51.70-51.90 | 51.70-51.90 | Australia dollar | 1.830-1.835 | 1.830-1.835 |
| Brazil cruzeiro | 1.830-1.835 | 1.830-1.835 | Canada dollar | 1.830-1.835 | 1.830-1.835 |
| Chilean peso | 1.830-1.835 | 1.830-1.835 | Denmark krone | 1.830-1.835 | 1.830-1.835 |
| Colombian peso | 1.830-1.835 | 1.830-1.835 | France franc | 1.830-1.835 | 1.830-1.835 |
| Czechoslovak koruna | 1.830-1.835 | 1.830-1.835 | Germany mark | 1.830-1.835 | 1.830-1.835 |
| Dominican peso | 1.830-1.835 | 1.830-1.835 | Italy lira | 1.830-1.835 | 1.830-1.835 |
| Ecuadorian sucre | 1.830-1.835 | 1.830-1.835 | Netherlands guilder | 1.830-1.835 | 1.830-1.835 |
| El Salvador colón | 1.830-1.835 | 1.830-1.835 | Spain peseta | 1.830-1.835 | 1.830-1.835 |
| Guatemalan quetzal | 1.830-1.835 | 1.830-1.835 | Sweden krona | 1.830-1.835 | 1.830-1.835 |
| Honduran lempira | 1.830-1.835 | 1.830-1.835 | Switzerland franc | 1.830-1.835 | 1.830-1.835 |
| Indian rupee | 1.830-1.835 | 1.830-1.835 | U.K. pound | 1.830-1.835 | 1.830-1.835 |
| Indonesian rupiah | 1.830-1.835 | 1.830-1.835 | U.S. dollar | 1.830-1.835 | 1.830-1.835 |
| Israeli sheqel | 1.830-1.835 | 1.830-1.835 | Yugoslav dinar | 1.830-1.835 | 1.830-1.835 |
| Japanese yen | 1.830-1.835 | 1.830-1.835 | | | |

EMS EUROPEAN CURRENCY UNIT RATES

| Aug. 28 | Aug. 28 | Aug. 28 | Aug. 28 | Aug. 28 | Aug. 28 |
|---------------------|---------|---------|---------|---------|---------|
| Belgium franc | 35.452 | 40.540 | 2.76 | 1.13 | 1.13 |
| Denmark krone | 7.0632 | 7.2056 | 2.46 | 1.13 | 1.13 |
| France franc | 2.5004 | 2.5007 | 0.77 | 0.77 | 0.77 |
| Germany mark | 2.7277 | 2.7278 | 2.06 | 0.69 | 0.69 |
| Italy lira | 1.830 | 1.830 | 1.83 | 1.83 | 1.83 |
| Netherlands guilder | 1.830 | 1.830 | 1.83 | 1.83 | 1.83 |
| Spain peseta | 1.830 | 1.830 | 1.83 | 1.83 | 1.83 |
| Sweden krona | 1.830 | 1.830 | 1.83 | 1.83 | 1.83 |
| Switzerland franc | 1.830 | 1.830 | 1.83 | 1.83 | 1.83 |
| U.K. pound | 1.830 | 1.830 | 1.83 | 1.83 | 1.83 |
| U.S. dollar | 1.830 | 1.830 | 1.83 | 1.83 | 1.83 |

EXCHANGE CROSS RATES

| Aug. 28 | Aug. 28 | Aug. 28 | Aug. 28 | Aug. 28 | Aug. 28 |
|-------------------|---------|---------|---------|---------|---------|
| Pound Sterling | 1.00 | 2.250 | 1.18 | 1.18 | 1.18 |
| U.S. Dollar | 1.00 | 2.250 | 1.18 | 1.18 | 1.18 |
| Deutsche Mark | 1.00 | 2.250 | 1.18 | 1.18 | 1.18 |
| Japanese Yen 1000 | 1.00 | 2.250 | 1.18 | 1.18 | 1.18 |
| French Franc 10 | 1.00 | 2.250 | 1.18 | 1.18 | 1.18 |
| Swiss Franc | 1.00 | 2.250 | 1.18 | 1.18 | 1.18 |
| Dutch Guilder | 1.00 | 2.250 | 1.18 | 1.18 | 1.18 |
| Italian Lira 1000 | 1.00 | 2.250 | 1.18 | 1.18 | 1.18 |
| Canadian Dollar | 1.00 | 2.250 | 1.18 | 1.18 | 1.18 |
| Belgian Franc 100 | 1.00 | 2.250 | 1.18 | 1.18 | 1.18 |

EURO-CURRENCY INTEREST RATES

| Aug. 28 | Aug. 28 | Aug. 28 | Aug. 28 | Aug. 28 | Aug. 28 |
|------------|-------------|-------------|-------------|-------------|-------------|
| Short term | 11.11-11.11 | 11.11-11.11 | 11.11-11.11 | 11.11-11.11 | 11.11-11.11 |
| 3 months | 11.11-11.11 | 11.11-11.11 | 11.11-11.11 | 11.11-11.11 | 11.11-11.11 |
| 6 months | 11.11-11.11 | 11.11-11.11 | 11.11-11.11 | 11.11-11.11 | 11.11-11.11 |
| 12 months | 11.11-11.11 | 11.11-11.11 | 11.11-11.11 | 11.11-11.11 | 11.11-11.11 |
| Long term | 11.11-11.11 | 11.11-11.11 | 11.11-11.11 | 11.11-11.11 | 11.11-11.11 |

INTERNATIONAL MONEY MARKET

U.S. rates firm

Short-term interest rates were firm in early New York trading, with Federal funds at 11 1/2-11 3/4 per cent, compared with the previous Federal Reserve target rate of 11 per cent. At the same time Chase Manhattan Bank became the first U.S. bank to increase its prime rate to 12 1/2 per cent, followed by similar moves by the First National Bank of St. Louis. On Friday the foreign exchange market was disappointed when Citibank kept its prime rate at 12 per cent.

PARIS - Call money was unchanged at 10 1/2 per cent. One-month rate to 10 1/2 per cent, three-month to 10 1/2 per cent, six-month to 10 1/2 per cent, and 12-month to 10 1/2 per cent.

FRANKFURT - Call money fell to 6.00-6.10 per cent from 6.10-6.20 per cent, while one-month rate to 6.90-7.00 per cent from 6.80-6.90 per cent. Three-

Record level

Gold touched an all-time high of \$316.317 in early active trading, before settling at \$316.317, a rise of \$1.14 since Friday. The metal opened at \$316.317, and was fixed at \$316.317 in the morning, and \$316.317 in the afternoon.

Gold touched an all-time high of \$316.317 in early active trading, before settling at \$316.317, a rise of \$1.14 since Friday. The metal opened at \$316.317, and was fixed at \$316.317 in the morning, and \$316.317 in the afternoon.

month was unchanged at 7.10-7.20 per cent, and six-month to 7.30-7.40 per cent. Three-month funds were quoted at 7.00-7.10 per cent, compared with 7.00-7.10 per cent on Monday.

AMSTERDAM - Call money declined to 8 1/2 per cent from 8 3/4 per cent, and one-month to 8 1/2 per cent from 8 3/4 per cent. Three-month funds were quoted at 7.00-7.10 per cent, compared with 7.00-7.10 per cent on Monday.

BRUSSELS - One-month rose to 11 1/2-12 1/2 per cent from 11 1/2-12 1/2 per cent, three-month to 12 1/2 per cent from 12 1/2 per cent, and six-month to 12 1/2 per cent from 12 1/2 per cent.

SINGAPORE - Many banks, including the big four Singapore banks, have raised their prime rates to 10 1/2-11 1/2 per cent. Development Bank of Singapore, Overseas Union Bank, and United Overseas Bank have increased their rates by 1/4 per cent to 8 1/2 per cent, while Overseas Chinese Banking Corpora-

tion has raised its prime rate by 1/4 per cent to 8 1/2 per cent.

HONG KONG - The money market was stable with all money at 13 per cent, and overnight at 12 1/2 per cent.

ROME - Yield on Italian Treasury bills were unchanged or slightly higher at the monthly auction. Demand from commercial banks was good, while the result was seen as an indication that higher yield may occur in the autumn. Bids for the 2 1/2 trillion six-month bills on offer totalled 17.720 billion at a price of 99.85, to yield 11 1/2 per cent. Compared with 11 1/2 per cent previously. The yield on one-year bills was unchanged at 12 1/2 per cent, with 2.625 trillion lire of bills sold at a price of 99.85, out of an offering of 4.5 trillion lire. Commercial banks increased their bids for 5 1/2 to 6 1/2 trillion lire from 4.222 trillion lire, partly reflecting increased interbank liquidity. The Bank of Italy and Italian Exchange Office acknowledged bills not purchased by commercial banks.

UK MONEY MARKET

Extremely large help

Bank of England Minimum Lending Rate 14 per cent. Day-to-day credit was in short supply in the London bullion market yesterday, and the authorities gave extremely large assistance by buying a small amount of Treasury bills from the discount houses, and by lending a very large amount to 10 or 11 houses, overnight at Bank of England Minimum Lending Rate of 14 per cent.

Repayment was made of the moderate amount borrowed on Friday, there was a moderate net take-up of Treasury bills to finance, while the market was also faced with a small increase in the note circulation, and a small excess of revenue pay-

ments to the Exchequer, over Government disbursements. On the other hand bank balances were slightly above target.

Discount houses paid around 13 1/2 per cent for secured call loans in the early part, and closing balances were taken at 13 1/4 per cent.

Rates in the table below are nominal in some cases.

LONDON MONEY RATES

| Aug. 28 | Aug. 28 | Aug. 28 | Aug. 28 | Aug. 28 | Aug. 28 |
|-----------|-------------|-------------|-------------|-------------|-------------|
| Overnight | 14.14-14.14 | 14.14-14.14 | 14.14-14.14 | 14.14-14.14 | 14.14-14.14 |

Early Wall St. pull-back after profit-taking

INVESTMENT DOLLAR
PRIME
\$2.60 to \$1—27½% (29%)
Effective \$2.2495 10½% (10½%)
Stocks pulled back slightly in
live trading after an increase
in the bank prime rate to a
record 13½ per cent from 12 per
cent.
Analysts said, however, that a
further increase was expected and
that the prime rate could go
higher.
Closing prices and market
reports were not available
for this edition.

gher still. The pullback was
tributed mostly to profit-

The market has been steadily advancing over the past four weeks and on Monday the New York Stock Exchange Composite index closed at its highest level in six years. The index was off 0.3 to 62.19 at mid-session yesterday.

The Dow Jones Industrial Average shed a fraction and declines led advances by a handful of issues on turnover of 144 million shares.

Oil, which led the market higher on Monday, were mixed yesterday. Active Texaco was unchanged at 29½. Mobil slipped to 43½ and Exxon picked up ½ to 56½. Exxon said it will further postpone a decision on whether to acquire Reliance Electric. Reliance slipped ¼ to 56½. U.S. Steel was unchanged at 41½.

23. It will raise prices on a number of products averaging 13 to 15 per cent on its total production line. This follows a similar move by Bethlehem Steel last week. Bethlehem was unchanged at 23.

Louisiana Pacific reached agreement for cash and stock value at \$33 per share. Fisk's stock at 50 cents added ! to 50 and Louisiana Pacific ! to 23 1/2. Eastman Kodak lost ! to 58, ex-dividend.

General Motors added ! to 59, but Ford added ! to 42 1/2. They presented economic proposals to the Federal Reserve.

Shakespeare Co. added 1/2 to 1 1/2. Anthony Industries bought 35 per cent of Shakespeare's common. Anthony had not previously traded on the American Exchange. It closed at 11 1/2.

American Stock Exchange

prices moved lower in moderate trading. The index slipped 0.93 to 216.47 on turnover of 1.94m shares.

Imperial Oil "A" slipped $\frac{1}{2}$ to 33 $\frac{1}{2}$ in spite of an upward revision of uranium tonnage estimates at a Saskatchewan site.

Oxford First Corp. proposed to sell some real estate and an equity stake in the company to an investor group. Oxford rose $\frac{1}{4}$ to 6 $\frac{1}{2}$.

Canada

Share prices were mixed in moderately active trading as the composite index fell almost a

point and two of four leading indices declined.

Among Banks, Canadian Imperial rose 1/2 to 26 1/2, Bank of Montreal 1/4 to 32 1/2 and Royal 1/4 to 45 1/2.

Most mining shares continued higher as Falconbridge Nickel "A" rose one to 6 1/4, Hudson Bay Mining 1/4 to 25 and Alcan Aluminum 1/4 to 45 1/2.

Others were broadly lower as Gulf Canada dropped 1/4 to 78 1/2 and Shell Canada fell 1/4 to 39 1/2. Imperial Oil 1/4 to 39 1/2.

Volume was 254,139 shares compared with 167,398 on Monday.

In Toronto the market turned mixed in active trading as the composite index fell 1/8 to 1,676.4. Eight of 14 indices advanced and gains left losses 188 to 156.

Gold issues were higher as Dome Mines at 46½, Campbell Red Lake at 34 and Camflo Mines at 15½ rose ½, while Kerr Addison gained ½ to 11½ and Dickenson Mines ½ to 8½.

Among real estate shares, Cadillac Fairview rose ½ to 23½ and Trizec ½ to 22.

Oils declined as Gulf Canada fell 3½ to 70½, Hudson's Bay Oil 1½ to 83, Aquitaine Canada one to 40½ and Asanera Oil ½ to 17½.

Paris

Reports of oil finds by two French oil companies — CIE Francaise des Petroles (CFP)

and ELF-Aquitaine sent investors on a buying spree which pushed the market indicator up by almost 1 per cent.

Esso was the star performer, closing 12 per cent up after trading was suspended at one point, due to a lack of selling orders. Other oil issues followed after were CFP, which put up 6 per cent and Elf-Aquitaine.

The AGEFI Index (base 10 equals 1962) of shares listed on the forward market at the bourse stood at 118.24 Monday—its highest level since 1973—and rose to 130.62 by the end of yesterday's session.

Germany

Leading shares closed higher trading on small turnover, after some orders for bankings—the day's best performers—provoked general buying.

Dresdner led banks u

DM 4.50. Bayer, which announced higher first-half 1979 group profits of DM 810m rose 6 pfennigs in line with other chemicals, and RWE gained DM 1.10c after announcing higher 1978-79 group third-party turnover of DM 15.64bn.

Linde led engineering shares up DM 1.50. Karstadt gained 4 pfennigs, while Herta was unchanged, and autos were mixed with Daimler shedding DM 1.00 and VW also easing, but BMW firming.

Tokyo
Share prices closed higher, led by oils and high-capital issues with investors anticipating a further rise in September.
The market average rose 27.10 to close at 6,433.63, with volume 240m shares. The Tokyo Stock Exchange Index closed at 453.4 up 1.61.
Oils continued to rally, with heavy electricals and shipbuilding firms among good earners from exports. Fudai Electric rose 8 to 205, Mitsubishi Electric 2 to 200, Mizui Engineering and Shipbuilding 7 to 185 and Mitsubishi Heavy Industries 2 to 178.

Australia
The markets closed firm, the all ordinaries and metals and minerals indexes reaching several year highs, gaining 3.18 points to 640.03 and 20.67 points to 3,354.03 respectively.
Diamonds, oil, gas and other

BHP gained 18 to AS10, while Mary Kathleen Uranium, which on Monday reported six-month profits, gained 12 to AS1.

Banks were also firm, CBA gaining 5 to AS2.63, NSW Bank to AS3.10, and ANZ 3 to AS3.7.

In Melbourne, stocks closed

reduced turnover with activity mostly centred on blue chips properties, and the Hang Seng Index closed up 2.79 at 575.50.

The market is consolidating present levels, with many operators cautious ahead of Saturday Exchange banks association meeting and anticipating a possible further half point increase in local prime rates.

BK Wharf rose 50 cents
HK\$35, HK Land 20 to HK\$8.
Hutchinson Wampoa 7.5.
HK\$4.875 and HK Electric 5.
HK\$4.55.

Jardine Matheson fell 10 cents
to HK\$10.80, Swire Pacific " 10
to HK\$9.90, while Wheel

changed at HK\$3.30 and HK\$13.10 respectively.

Cheung Kong rose 60 cents to HK\$12.60. SHK Properties 40 HK\$10.40 and Swire Properties 5 to HK\$3.80, while Hang Seng Bank rose HK\$1 to 81 and Land Winmate, 1986 rose 10 cts to HK\$1.10.

Switzerland

Prices were steady in a selective but fairly active settlement's day trading, with settlement underpinned by high liquidity and favourable economic prospects.

Swissair registered continued higher in transports, while banks fluctuated narrowly with an easier bias. In financial

| | Aug. 27 | Aug. 24 | Aug. 26 | Aug. 27 |
|----------------------|------------|------------|------------|------------|
| ◆ Industrial | 865.41 | 860.39 | 859.28 | 825 |
| Home B'nds | 65.51 | 65.76 | 65.82 | 86 |
| | 270.11 | | | |
| Transport.. | | 288.60 | 270.55 | 270 |
| Utilities..... | 108.86 | 108.44 | 109.51 | 109 |
| Trading Vol 000's | 32,860 | 32,740 | 33,420 | 34 |
| ◆ Day's high | 891.81 | low | 877.47 | |
| | | | Aug. | |
| Ind. div. yield % | | | | |

nts
"A"
ock

STANDARD AND POORE

| | Aug. 27 | Aug. 24 | Aug. 23 | Aug. 22 |
|---------------|------------|------------|------------|------------|
| Industry's... | 121.80 | 120.44 | 120.41 | 120.41 |
| Composite | 105.24 | 103.60 | 106.93 | 107.00 |

| | | |
|----------------------------|---------|---------|
| Ind. div. yield % | Aug. 1 | 5.08 |
| Ind. P/E Ratio | Aug. 1 | 8.41 |
| Long Gov. Bond Yield | Aug. 1 | 8.89 |
| N.Y.S.E. ALL COMMON | | |
| | | 1979 |
| Aug. 27 | Aug. 24 | Aug. 23 |
| Aug. 22 | High | Low |
| 63.54 | 61.94 | 61.96 |
| 62.13 | 62.13 | 51.12 |
| (22/8) | | |

| Pg. | 1979 | | | SinceCom |
|-----|---------|---------|----------|----------------|
| | Aug. 21 | Aug. 20 | | |
| | High | Low | High | |
| 44 | 885.91 | 885.52 | 826.52 | 807.80 1051.70 |
| | | (20.8) | (17.1) | (11.75) |
| 05 | 99.02 | 85.63 | 82.32 | — |
| | | (15.8) | (8.5) | |
| 65 | 270.85 | 270.31 | 271.77 | 206.76 279.86 |
| | | (15.4) | (27.2) | (72.68) |
| 27 | 109.51 | 105.24 | 109.61 | 98.51 165.32 |
| | | (29.6) | (15.5) | (20.4, 69) |
| 160 | 38,860 | 33,390 | — | — |
| 17 | Aug. 10 | Aug. 3 | Year ago | ap |

| | | | |
|---|------|------|------|
| 7 | 5.64 | 5.73 | 5.26 |
|---|------|------|------|

| Year | Aug. 21 | Aug. 20 | 1979 | | Since 1979 |
|------|---------|---------|--------|--------|------------|
| | | | High | Low | High |
| 1983 | 120.72 | 120.66 | 120.01 | 107.08 | 724.64 |
| 1982 | 117.8 | 127.2 | 111.73 | 107.08 | 33.11 |
| 1981 | 106.91 | 105.63 | 108.30 | 96.15 | 125.85 |
| 1980 | 117.8 | 127.2 | 111.73 | 107.08 | 33.11 |

| Aug. 2 | Aug. 1 | Year ago (a) |
|--------|--------|--------------|
| 5.13 | 5.22 | 4.70 |
| 8.21 | 8.07 | 9.99 |
| 8.85 | 8.91 | 8.54 |

| Rises and Falls | | | |
|-------------------|-------|-------|---|
| Aug. 27 Aug. 24 A | | | |
| Issues Traded... | 1,887 | 1,893 | 1 |
| Rises | 906 | 813 | |
| Falls | 577 | 825 | |
| Unchanged | 404 | 463 | |
| New Highs | 116 | - | |
| New Lows | 4 | - | |

NEW YORK

| Stock | Aug. 27 | Aug. 28 | Stock | Aug. 27 | Aug. 28 | Stock | Aug. 27 | Aug. 28 |
|--------------------|---------|---------|------------------|---------|---------|-------------------|---------|---------|
| Boots Lab. | 87 1/2 | 87 1/2 | Control Data | 46 1/2 | 46 1/2 | Johns Manville | 46 1/2 | 46 1/2 |
| W International | 18 | 17 1/2 | Cooper, Indus. | 87 1/2 | 88 | Johnson Controls | 46 1/2 | 46 1/2 |
| Jobe Oil & Gas | 34 1/2 | 34 1/2 | CPG Inc. | 54 1/2 | 54 1/2 | Jackson | 46 1/2 | 46 1/2 |
| Products | 32 1/2 | 32 1/2 | Crane Co. | 35 1/2 | 35 1/2 | Jay Manufacturing | 46 1/2 | 46 1/2 |
| Aluminum | 48 1/2 | 48 1/2 | Crown Zellerbach | 87 1/2 | 87 1/2 | Kaiser Aluminum | 46 1/2 | 46 1/2 |
| (reg. Tadium) | 28 | 28 | Dunsmuir Engine | 26 1/2 | 26 1/2 | Kaiser Industrial | 46 1/2 | 46 1/2 |
| Regency Power | 17 1/2 | 17 1/2 | Quidley Wright | 17 1/2 | 17 1/2 | Karns Services | 46 1/2 | 46 1/2 |
| Electric Storage | 38 1/2 | 38 1/2 | | | | Kay | 46 1/2 | 46 1/2 |
| Chalmers | 48 1/2 | 48 1/2 | | | | Kennecott | 46 1/2 | 46 1/2 |
| Malco | 48 1/2 | 48 1/2 | | | | Kay Med. | 46 1/2 | 46 1/2 |
| Meranda Hess | 48 1/2 | 48 1/2 | | | | Kaiser | 46 1/2 | 46 1/2 |
| Mar. Brines | 18 1/2 | 18 1/2 | | | | Kimberly Clark | 46 1/2 | 46 1/2 |
| Mar. Airline | 56 1/2 | 56 1/2 | | | | Koppers | 46 1/2 | 46 1/2 |
| Mar. Can. | 39 1/2 | 39 1/2 | | | | Kaiser | 46 1/2 | 46 1/2 |
| Mar. Cyanamid | 36 1/2 | 36 1/2 | | | | Kroger Co. | 46 1/2 | 46 1/2 |
| Mar. Electric Pow. | 20 1/2 | 20 1/2 | | | | Lassaway Trans. | 46 1/2 | 46 1/2 |
| Mar. Elect. Pow. | 36 1/2 | 36 1/2 | | | | Libbey-Owens | 46 1/2 | 46 1/2 |
| Mar. Medical | 58 1/2 | 58 1/2 | | | | Liggett Group | 46 1/2 | 46 1/2 |
| Mar. Standard | 57 1/2 | 57 1/2 | | | | Lilly (Eli) | 46 1/2 | 46 1/2 |
| Mar. Tel. & Tel. | 57 1/2 | 57 1/2 | | | | Locke and Alford | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Loch Star Ind. | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Louisiana Land | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Lubrizol | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Mac | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | McCallum | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Macys R. | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Mapco | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Marathon Oil | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Marshall Field | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Marsh Molen | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | May Dept. Stores | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | McA | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | McDonald | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | McGraw Hill | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Merk | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Merrill Lynch | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | MGM | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Mingrel & M | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Modern Marsh. | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Monro | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Motorola | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Murphy Oil | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Nalco Chemical | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Nation Can | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Nat. Dist. Ind. | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Nat. Service Ind. | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | National Steel | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | NCR | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | New England E | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Nigam Mohaw | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Nigam Sherm | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Norfolk & West | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | North Nat. Gas | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | NHn. States Pw | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Nichw St Simon | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Norton Sampor | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Offshore Petr | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Oliver Mather | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Oliver Edison | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Oversass Ship | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Owens Corning | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Owens Illinois | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Pacific Lightng | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Pac. Pwr. & L | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Parker Hannif | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Peabody Ind. | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Pennell Indus | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Pennell (J.C) | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Pennwalt | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Peoples Drug | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Peoples Gas | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Perkin Elmer | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Petrolina | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Pitzer | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Phil Morris Ele | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Phillips Phila | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Pillsbury | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Pittway-Bow | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Pleasay Lds AD | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Polaroid | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Potomac Elec | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Procter Gamble | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Pur. Serv. Ele | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Purex | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Radiation Ele | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Radiation Ele | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Radiation Ele | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Radiation Ele | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Radiation Ele | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Radiation Ele | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Radiation Ele | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Radiation Ele | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Radiation Ele | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Radiation Ele | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Radiation Ele | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Radiation Ele | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Radiation Ele | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Radiation Ele | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Radiation Ele | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Radiation Ele | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Radiation Ele | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Radiation Ele | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Radiation Ele | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Radiation Ele | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Radiation Ele | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Radiation Ele | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Radiation Ele | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Radiation Ele | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Radiation Ele | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Radiation Ele | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Radiation Ele | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Radiation Ele | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Radiation Ele | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Radiation Ele | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Radiation Ele | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Radiation Ele | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Radiation Ele | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Radiation Ele | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Radiation Ele | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Radiation Ele | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Radiation Ele | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Radiation Ele | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Radiation Ele | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Radiation Ele | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Radiation Ele | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Radiation Ele | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Radiation Ele | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | Radiation Ele | 46 1/2 | 46 1/2 |
| Mar. T. & T. | 18 1/2 | 18 1/2 | | | | | | |

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| 27 | 34 | 35 | 36 | 37 | 38 | 39 | 40 | 41 | 42 | 43 | 44 | 45 | 46 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 | 66 | 67 | 68 | 69 | 70 | 71 | 72 | 73 | 74 | 75 | 76 | 77 | 78 | 79 | 80 | 81 | 82 | 83 | 84 | 85 | 86 | 87 | 88 | 89 | 90 | 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 | 99 | 100 | 101 | 102 | 103 | 104 | 105 | 106 | 107 | 108 | 109 | 110 | 111 | 112 | 113 | 114 | 115 | 116 | 117 | 118 | 119 | 120 | 121 | 122 | 123 | 124 | 125 | 126 | 127 | 128 | 129 | 130 | 131 | 132 | 133 | 134 | 135 | 136 | 137 | 138 | 139 | 140 | 141 | 142 | 143 | 144 | 145 | 146 | 147 | 148 | 149 | 150 | 151 | 152 | 153 | 154 | 155 | 156 | 157 | 158 | 159 | 160 | 161 | 162 | 163 | 164 | 165 | 166 | 167 | 168 | 169 | 170 | 171 | 172 | 173 | 174 | 175 | 176 | 177 | 178 | 179 | 180 | 181 | 182 | 183 | 184 | 185 | 186 | 187 | 188 | 189 | 190 | 191 | 192 | 193 | 194 | 195 | 196 | 197 | 198 | 199 | 200 | 201 | 202 | 203 | 204 | 205 | 206 | 207 | 208 | 209 | 210 | 211 | 212 | 213 | 214 | 215 | 216 | 217 | 218 | 219 | 220 | 221 | 222 | 223 | 224 | 225 | 226 | 227 | 228 | 229 | 230 | 231 | 232 | 233 | 234 | 235 | 236 | 237 | 238 | 239 | 240 | 241 | 242 | 243 | 244 | 245 | 246 | 247 | 248 | 249 | 250 | 251 | 252 | 253 | 254 | 255 | 256 | 257 | 258 | 259 | 260 | 261 | 262 | 263 | 264 | 265 | 266 | 267 | 268 | 269 | 270 | 271 | 272 | 273 | 274 | 275 | 276 | 277 | 278 | 279 | 280 | 281 | 282 | 283 | 284 | 285 | 286 | 287 | 288 | 289 | 290 | 291 | 292 | 293 | 294 | 295 | 296 | 297 | 298 | 299 | 300 | 301 | 302 | 303 | 304 | 305 | 306 | 307 | 308 | 309 | 310 | 311 | 312 | 313 | 314 | 315 | 316 | 317 | 318 | 319 | 320 | 321 | 322 | 323 | 324 | 325 | 326 | 327 | 328 | 329 | 330 | 331 | 332 | 333 | 334 | 335 | 336 | 337 | 338 | 339 | 340 | 341 | 342 | 343 | 344 | 345 | 346 | 347 | 348 | 349 | 350 | 351 | 352 | 353 | 354 | 355 | 356 | 357 | 358 | 359 | 360 | 361 | 362 | 363 | 364 | 365 | 366 | 367 | 368 | 369 | 370 | 371 | 372 | 373 | 374 | 375 | 376 | 377 | 378 | 379 | 380 | 381 | 382 | 383 | 384 | 385 | 386 | 387 | 388 | 389 | 390 | 391 | 392 | 393 | 394 | 395 | 396 | 397 | 398 | 399 | 400 | 401 | 402 | 403 | 404 | 405 | 406 | 407 | 408 | 409 | 410 | 411 | 412 | 413 | 414 | 415 | 416 | 417 | 418 | 419 | 420 | 421 | 422 | 423 | 424 | 425 | 426 | 427 | 428 | 429 | 430 | 431 | 432 | 433 | 434 | 435 | 436 | 437 | 438 | 439 | 440 | 441 | 442 | 443 | 444 | 445 | 446 | 447 | 448 | 449 | 450 | 451 | 452 | 453 | 454 | 455 | 456 | 457 | 458 | 459 | 460 | 461 | 462 | 463 | 464 | 465 | 466 | 467 | 468 | 469 | 470 | 471 | 472 | 473 | 474 | 475 | 476 | 477 | 478 | 479 | 480 | 481 | 482 | 483 | 484 | 485 | 486 | 487 | 488 | 489 | 490 | 491 | 492 | 493 | 494 | 495 | 496 | 497 | 498 | 499 | 500 | 501 | 502 | 503 | 504 | 505 | 506 | 507 | 508 | 509 | 510 | 511 | 512 | 513 | 514 | 515 | 516 | 517 | 518 | 519 | 520 | 521 | 522 | 523 | 524 | 525 | 526 | 527 | 528 | 529 | 530 | 531 | 532 | 533 | 534 | 535 | 536 | 537 | 538 | 539 | 540 | 541 | 542 | 543 | 544 | 545 | 546 | 547 | 548 | 549 | 550 | 551 | 552 | 553 | 554 | 555 | 556 | 557 | 558 | 559 | 560 | 561 | 562 | 563 | 564 | 565 | 566 | 567 | 568 | 569 | 570 | 571 | 572 | 573 | 574 | 575 | 576 | 577 | 578 | 579 | 580 | 581 | 582 | 583 | 584 | 585 | 586 | 587 | 588 | 589 | 590 | 591 | 592 | 593 | 594 | 595 | 596 | 597 | 598 | 599 | 600 | 601 | 602 | 603 | 604 | 605 | 606 | 607 | 608 | 609 | 610 | 611 | 612 | 613 | 614 | 615 | 616 | 617 | 618 | 619 | 620 | 621 | 622 | 623 | 624 | 625 | 626 | 627 | 628 | 629 | 630 | 631 | 632 | 633 | 634 | 635 | 636 | 637 | 638 | 639 | 640 | 641 | 642 | 643 | 644 | 645 | 646 | 647 | 648 | 649 | 650 | 651 | 652 | 653 | 654 | 655 | 656 | 657 | 658 | 659 | 660 | 661 | 662 | 663 | 664 | 665 | 666 | 667 | 668 | 669 | 670 | 671 | 672 | 673 | 674 | 675 | 676 | 677 | 678 | 679 | 680 | 681 | 682 | 683 | 684 | 685 | 686 | 687 | 688 | 689 | 690 | 691 | 692 | 693 | 694 | 695 | 696 | 697 | 698 | 699 | 700 | 701 | 702 | 703 | 704 | 705 | 706 | 707 | 708 | 709 | 710 | 711 | 712 | 713 | 714 | 715 | 716 | 717 | 718 | 719 | 720 | 721 | 722 | 723 | 724 | 725 | 726 | 727 | 728 | 729 | 730 | 731 | 732 | 733 | 734 | 735 | 736 | 737 | 738 | 739 | 740 | 741 | 742 | 743 | 744 | 745 | 746 | 747 | 748 | 749 | 750 | 751 | 752 | 753 | 754 | 755 | 756 | 757 | 758 | 759 | 760 | 761 | 762 | 763 | 764 | 765 | 766 | 767 | 768 | 769 | 770 | 771 | 772 | 773 | 774 | 775 | 776 | 777 | 778 | 779 | 780 | 781 | 782 | 783 | 784 | 785 | 786 | 787 | 788 | 789 | 790 | 791 | 792 | 793 | 794 | 795 | 796 | 797 | 798 | 799 | 800 | 801 | 802 | 803 | 804 | 805 | 806 | 807 | 808 | 809 | 810 | 811 | 812 | 813 | 814 | 815 | 816 | 817 | 818 | 819 | 820 | 821 | 822 | 823 | 824 | 825 | 826 | 827 | 828 | 829 | 830 | 831 | 832 | 833 | 834 | 835 | 836 | 837 | 838 | 839 | 840 | 841 | 842 | 843 | 844 | 845 | 846 | 847 | 848 | 849 | 850 | 851 | 852 | 853 | 854 | 855 | 856 | 857 | 858 | 859 | 860 | 861 | 862 | 863 | 864 | 865 | 866 | 867 | 868 | 869 | 870 | 871 | 872 | 873 | 874 | 875 | 876 | 877 | 878 | 879 | 880 | 881 | 882 | 883 | 884 | 885 | 886 | 887 | 888 | 889 | 890 | 891 | 892 | 893 | 894 | 895 | 896 | 897 | 898 | 899 | 900 | 901 | 902 | 903 | 904 | 905 | 906 | 907 | 908 | 909 | 910 | 911 | 912 | 913 | 914 | 915 | 916 | 917 | 918 | 919 | 920 | 921 | 922 | 923 | 924 | 925 | 926 | 927 | 928 | 929 | 930 | 931 | 932 | 933 | 934 | 935 | 936 | 937 | 938 | 939 | 940 | 941 | 942 | 943 | 944 | 945 | 946 | 947 | 948 | 949 | 950 | 951 | 952 | 953 | 954 | 955 | 956 | 957 | 958 | 959 | 960 | 961 | 962 | 963 | 964 | 965 | 966 | 967 | 968 | 969 | 970 | 971 | 972 | 973 | 974 | 975 | 976 | 977 | 978 | 979 | 980 | 981 | 982 | 983 | 984 | 985 | 986 | 987 | 988 | 989 | 990 | 991 | 992 | 993 | 994 | 995 | 996 | 997 | 998 | 999 | 1000 |
| Revlon | Reynolds Metals | Reynolds U.S. | Rockwell Int'l | Roehm & Haas | Rohrer | Royal Dutch | RTI | Ryder | Ryder Storage | RTS | St. Regis Paper | Santa Fe Ind. | Saul Steinberg | Saxon Ind. | Schick Bawling | Schlumberger | SCM | Sevill Mfg. | Sevill Mfg. | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigsbee | Sigs | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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| Industrial Companies | 1987-88 | 1988-89 | 1989-90 | 1990-91 | 1991-92 | 1992-93 | 1993-94 | 1994-95 | 1995-96 | 1996-97 | 1997-98 | 1998-99 | 1999-00 | 2000-01 | 2001-02 | 2002-03 | 2003-04 | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 | 2031-32 | 2032-33 | 2033-34 | 2034-35 | 2035-36 | 2036-37 | 2037-38 | 2038-39 | 2039-40 | 2040-41 | 2041-42 | 2042-43 | 2043-44 | 2044-45 | 2045-46 | 2046-47 | 2047-48 | 2048-49 | 2049-50 | 2050-51 | 2051-52 | 2052-53 | 2053-54 | 2054-55 | 2055-56 | 2056-57 | 2057-58 | 2058-59 | 2059-60 | 2060-61 | 2061-62 | 2062-63 | 2063-64 | 2064-65 | 2065-66 | 2066-67 | 2067-68 | 2068-69 | 2069-70 | 2070-71 | 2071-72 | 2072-73 | 2073-74 | 2074-75 | 2075-76 | 2076-77 | 2077-78 | 2078-79 | 2079-80 | 2080-81 | 2081-82 | 2082-83 | 2083-84 | 2084-85 | 2085-86 | 2086-87 | 2087-88 | 2088-89 | 2089-90 | 2090-91 | 2091-92 | 2092-93 | 2093-94 | 2094-95 | 2095-96 | 2096-97 | 2097-98 | 2098-99 | 2099-00 | 2100-01 | 2101-02 | 2102-03 | 2103-04 | 2104-05 | 2105-06 | 2106-07 | 2107-08 | 2108-09 | 2109-10 | 2110-11 | 2111-12 | 2112-13 | 2113-14 | 2114-15 | 2115-16 | 2116-17 | 2117-18 | 2118-19 | 2119-20 | 2120-21 | 2121-22 | 2122-23 | 2123-24 | 2124-25 | 2125-26 | 2126-27 | 2127-28 | 2128-29 | 2129-30 | 2130-31 | 2131-32 | 2132-33 | 2133-34 | 2134-35 | 2135-36 | 2136-37 | 2137-38 | 2138-39 | 2139-40 | 2140-41 | 2141-42 | 2142-43 | 2143-44 | 2144-45 | 2145-46 | 2146-47 | 2147-48 | 2148-49 | 2149-50 | 2150-51 | 2151-52 | 2152-53 | 2153-54 | 2154-55 | 2155-56 | 2156-57 | 2157-58 | 2158-59 | 2159-60 | 2160-61 | 2161-62 | 2162-63 | 2163-64 | 2164-65 | 2165-66 | 2166-67 | 2167-68 | 2168-69 | 2169-70 | 2170-71</ |
|----------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-----------|
|----------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-----------|

EUROPEAN OPTIONS EXCHANGE

| Series | Oct. | | | Jan. | | | April | | | Stock |
|---------------------------|---------|------|-------|------|-------|--------|-------|-------|--|----------|
| | Vol. | Last | | Vol. | Last | | Vol. | Last | | |
| AKZ C | F.27.80 | 57 | 6 | 2.00 | | | | | | F.29.50 |
| AKZ C | F.30. | 6 | 0.90 | 45 | 1.60 | | 60 | 2.70 | | " |
| AKZ C | F.32.50 | 40 | 0.20 | 20 | 0.70 | | | | | " |
| AKZ C | F.35. | 15 | 0.10 | | | | | | | " |
| AKZ P | F.35. | 15 | 0.10 | | 2 | 1.40 | | | | " |
| AKZ P | F.32.30 | 10 | 3.90 | | | | | | | " |
| EK C | 8600 | S | | | | | | | | 8544 |
| HO G C | F.33.50 | 1 | 1 1/2 | | | | | | | F.33.50 |
| IBM C | | 50 | 3 | 50 | 5 | 24 1/2 | 10 | 2.20 | | 570 |
| IBM C | 575 | 10 | 1 | | | | | | | " |
| IBM C | 580 1/2 | | | 1 | 1 1/8 | | | | | " |
| KLM C | F.100. | 5 | 9 | 2 | 12.50 | | | | | F.106.50 |
| KLM C | F.110. | 2 | 3.10 | 21 | 5.60 | | | | | " |
| KLM C | F.108 | 30 | 0.70 | | | | | | | " |
| KLM P | F.110. | | | | | | 6 | 6.50 | | " |
| KLM P | F.120. | 15 | 15.50 | 10 | 13.50 | | | | | " |
| PET C | F.55.00 | | | | | | 10 | 425 | | F.55.90 |
| PHI C | F.25. | 29 | 5 | 71 | 2.40 | | | | | F.25.50 |
| PHI C | F.25.00 | 110 | 0.40 | 56 | 1 | 225 | 1.50 | | | " |
| PHI C | F.27.50 | 10 | 0.10 | 2 | 0.30 | | | | | " |
| PHI P | F.25. | | | 100 | 1.20 | | | | | " |
| PHI P | F.37.50 | | | 10 | 1.80 | | | | | " |
| RD C | F.140. | 215 | 8.80 | | | | 200 | 11.30 | | F.148.40 |
| RD C | F.143. | 29 | 4.70 | 74 | 7 | 13 | 8.50 | | | " |
| RD C | F.140. | 81 | 2.10 | 14 | 4.20 | 29 | 63.0 | | | " |
| RD C | F.160. | 10 | 0.50 | 15 | 1.80 | | | | | " |
| RD C | F.160. | 35 | 1 | | | | | | | " |
| RD P | F.145. | 20 | 2.90 | | | | | | | " |
| RD P | F.150. | | | 40 | 8 | | 1 | 8.20 | | " |
| UNI C | F.130. | | | 14 | 2.50 | | | | | F.129 |
| Nov. | | | | | | | | | | |
| Feb. | | | | | | | | | | |
| BA C | 5465. | 20 | 2 1/2 | | | | May | | | 5457 1/2 |
| BAZ C | 540. | 40 | 7 1/2 | | | | | | | " |
| BAZ C | 580. | | | 100 | 2 1/2 | | | | | " |
| TOTAL VOLUME IN CONTRACTS | | | | | | | 2028 | | | |
| C=Call | | | | | | | P=Put | | | |

BASE LENDING RATES

| | | | | |
|------------------------|--------|--------------------------------------|--------|---|
| A.B.N. Bank | 14 | ■ Hambros Bank | 14 | % |
| Allied Irish Bank Ltd. | 14 | ■ Hill Samuel | 14 | % |
| Amro Bank | 14 | ■ C. Hoare & Co. | 14 | % |
| American Express Bk. | 14 | ■ Julian S. Hodge | 15 | % |
| Henry Anscher | 14 | ■ Hongkong & Shanghai | 14 | % |
| A P Bank Ltd. | 14 | ■ Industrial Bk. of Scot. | 14 1/2 | % |
| Associates Cap. Corp. | 14 | ■ Keyser Ullmann | 14 | % |
| Banco de Bilbao | 14 | ■ Knowles & Co. Ltd. | 15 1/2 | % |
| Bank of Credit & Cmce. | 14 | ■ Lloyds Bank | 14 | % |
| Bank of Cyprus | 14 | ■ London Mercantile | 14 | % |
| Bank of N.S.W. | 14 | ■ Edward Manson & Co. | 15 | % |
| Banque Belsee Ltd. | 14 | ■ Midland Bank | 14 | % |
| Banque du Khone et de | | ■ Samuel Montagu | 14 | % |
| la Tamise S.A. | 14 1/2 | ■ Morgan Grenfell | 14 | % |
| Barclays Bank | 14 | ■ National Westminster | 14 | % |
| Bremar Holdings Ltd. | 15 | ■ Norwich General Trust | 14 | % |
| Brit. Bank of Mid East | 14 | ■ P. S. Refson & Co. | 14 | % |
| Brown Shipley | 14 | ■ Rossmirn | 14 | % |
| Canada Pern't Trust | 14 | ■ Ryki Bk. Canada (Ltd.) | 14 | % |
| Coyler Ltd. | 14 | ■ Singer Limited | 14 | % |
| Cedar Holdings | 14 | ■ E. S. Schwab | 15 | % |
| Chambershouse Japhet | 14 | ■ Security Trust Co. Ltd. | 15 | % |
| Chomlars | 14 | ■ Shenley Trust | 18 | % |
| C. E. Coates | 14 | ■ Standard Chartered | 14 | % |
| Consolidated Credits | 14 | ■ Trade Dev. Bank | 13 | % |
| Co-operative Bank | 14 | ■ Trustee Savings Bank | 14 | % |
| Corinthian Secs. | 14 | ■ Twentieth Century Bk. | 15 | % |
| Credit Lyonnais | 14 | ■ United Bank of Kuwait | 14 | % |
| The Cyprus Popular Bk. | 13 | ■ Whiteaway Laidlaw | 14 1/2 | % |
| Duncan Lawrie | 14 | ■ Williams & Glyn's | 14 | % |
| Egali Trust | 14 | ■ Yorkshire Bank | 14 | % |
| English Transocon | 14 | ■ Members of the Accepting | | |
| First Nat. Fin. Corp. | 15 1/2 | ■ Committee | | |
| First Nat. Secs. Ltd. | 15 1/2 | ■ 7-day deposits 11 1/2%, 1-month | | |
| ■ Anthony Gibbs | 14 | ■ deposits 11 1/2%. | | |
| ■ Greyhound Guaranty | 14 | ■ 7-day deposits on sums of £10,000 | | |
| ■ Grindlays Bank | 14 1/2 | ■ and over 11 1/2%, 1-month 12%, | | |
| | | ■ and over £25,000 12 1/2%. | | |
| | | ■ Call deposits over £1,000 11 1/2%. | | |

| | | | |
|-------------------|----|-----|----|
| Pakhoed (Fl. 20) | 54 | — | — |
| Phillips (Fl. 10) | 24 | 0.1 | 18 |

| | | | | | Aug. 28 | | Frs. | |
|---------------------|---------|-------|--------------|--------|---------|-------------------|------------|--|
| | Aug. 28 | Krone | Price + or - | Div. % | Yld. | | | |
| Robeco Fl. | 170 | | +0.5 | 26.4 | 7.5 | Aluminium | 1,500 -10 | |
| Rodamco (Fl.28) | 143.8 | | | 3 | 11.5 | BBC "A" | 1,610 +15 | |
| Rolindo (Fl.30) | 242.5 | | +0.5 | 6 | | Quadrant Frio 100 | 390 +5 | |
| Roos (Fl.50) | 146 | | -0.6 | 58.75 | 7.5 | Do. Part. Cert. | 1,050 -28 | |
| Royal Dutch (Fl.20) | 146 | | -0.6 | 58.75 | 7.5 | Do. Reg. | 709 -22 | |
| Slavenburg | 242.5 | | -0.6 | 21.5 | 6.9 | Credit Suisse | 1,100 +16 | |
| Tokyo Machei | | | | 50.08 | 0.6 | Swedish | 2,140 -10 | |
| Union Fide (Fl.30) | 138.8 | | +0.8 | 7 | | Fischer | 710 -5 | |
| Viking Res. | 59.8 | | +0.5 | 20.20 | 0.6 | Hoffman Corp. | 76,000 +30 | |
| Volker Stnvl.Fd. | 79 | | -0.5 | 20 | 7.7 | Do. (Small) | 7,600 +90 | |
| West-Url. Hypok. | 356 | | -2 | 35 | 4.5 | Intarad B. | 4,450 -10 | |

| COPENHAGEN * | | | | | Aug. 28 | | Price + or - Div. % Yld. | |
|------------------|---------|--------|--------------|--------|---------|-------------------|--------------------------|--|
| | Aug. 28 | Krone | Price + or - | Div. % | Yld. | | | |
| Andelsbanken | 138 1/2 | | +12 | 7.9 | | Jermoli (Fr. 100) | 1,490 -10 | |
| Danske Bank | 22 1/2 | | +12 | 9.8 | | Nestle (Fr. 100) | 3,598 +5 | |
| Union Fide Co | 130 1/4 | | +10 | 7.7 | | Do. Reg. | 2,370 +11 1/2 | |
| Finske Bank | 185 1/4 | +1 1/2 | | | | Swedish Frio 100 | 1,100 +10 | |
| Bryggerier | 50 1/2 | +1 1/2 | | | | Pirelli (F100) | 293 1/2 -1 1/2 | |
| Por Papir | 110 1/4 | +1 1/2 | | | | Sandaz (F.250) | 4,425 +25 | |
| Telegraf | 110 1/4 | +1 1/2 | | | | Do Part Cert. | 552 -1 | |
| G.Nth. N.K.(K90) | 30 1/2 | | +18 | 3.9 | | Swiss C. Corp | 1,000 +10 | |
| Nord Kabel | 174 | | +12 | 6.9 | | Sulzer Co | 894 -3 | |
| Novo Ind'stri's | 22 1/2 | | +10 | 4.4 | | Swissair (F.350) | 807 -1 | |
| Oliebank | 146 1/2 | +1 1/2 | | | | Sw. & C. (F100) | 1,089 -10 | |
| Prowsbank | 135 | | +12 | 9.9 | | Union Bank | 5,275 -5 | |
| Soph.Berensen | 58 1/2 | | +13 | 3.9 | | Zurich Ins. | 13,435 +25 | |
| Superfos | 139 1/2 | +1 1/2 | | | | | 44 1/2 | |

| VIENNA | | | | | Aug. 28 | | Price + or - Div. % Yr | |
|---------------|---------|---------------|--------|------|-----------------|--------|------------------------|--|
| | Aug. 28 | Prices + or - | Div. % | Yld. | | | | |
| Creditanstalt | 356 | | +10 | 2.9 | ANIC | 16 | 1 | |
| Perimorper | 97 1/2 | | +9 | 3.2 | Bastogi | 850 | 11 | |
| Bank | 563 | +1 3/4 | | | Do. Part. Cert. | 500 | 185 | |
| Sempeter | 79 | | | | Fiat | 2,115 | 6 | |
| Steyr Daimler | 206 | | +9 | 4.4 | Finster | 129.5 | 1.5 | |
| | | | | | Talcoment | 21,200 | 490 | |
| | | | | | Italcement | 4,900 | 50 | |
| | | | | | Medbank | 42,400 | 1,200 | |
| | | | | | Montedison | 217 | 1.5 | |
| | | | | | Olivetti Priv | 2,407 | 58 | |
| | | | | | Pirelli & Co | 1,000 | 140 | |
| | | | | | Pirelli SpA | 945 | 4 | |
| | | | | | Sina Viscosa | 840 | 9 | |

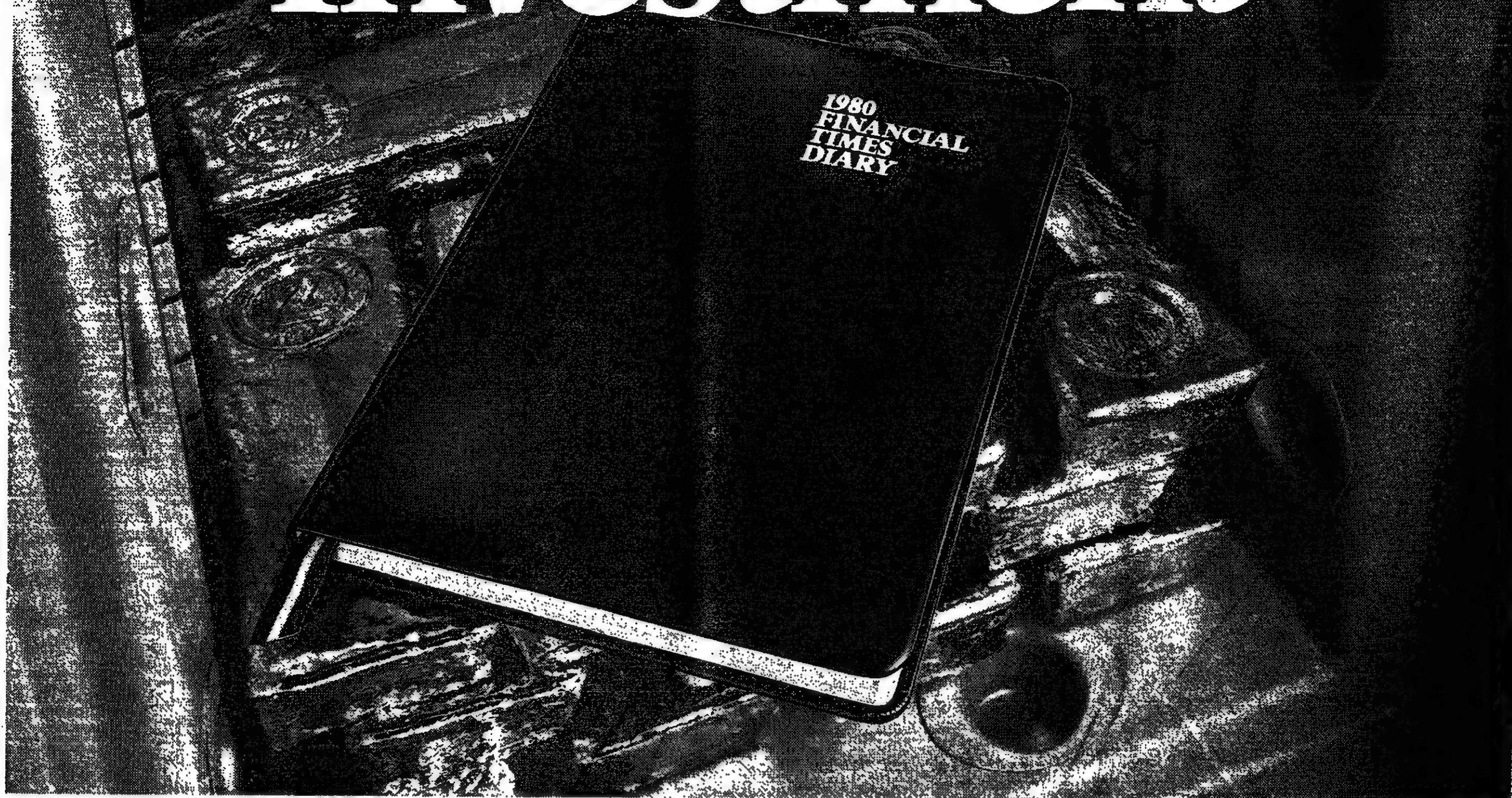
| | | | |
|------------------|-------|-----|---|
| Carrefour | 1.650 | -5 | |
| C.G.E. | 363 | +10 | 3 |
| G.I.T. Alcatel.. | 1.160 | | |

| | | | | | | | | | | |
|-----------------|------|---|----|----|----|------------------------|------|---|---|------|
| Cl. Bancalora | 441 | + | 0 | 15 | 3 | Neckbrk | 230 | + | 0 | 230 |
| Club Mediterra | 406 | + | 0 | 9 | 2 | Cl. Bazares | 230 | + | 0 | 230 |
| Gr. C. C. P. | 401 | + | 0 | 17 | 8 | Primer Milling | 230 | + | 0 | 230 |
| Gr. C. C. P. | 401 | + | 0 | 17 | 8 | Prot. Holdings | 210 | + | 0 | 210 |
| Dumaz Loira | 755 | + | 3 | 5 | — | Rand Mines Properties | 235 | + | 0 | 235 |
| Crest | 829 | — | 1 | 55 | 7 | Refr. Ind. | 246 | + | 0 | 246 |
| El-Agha | 985 | + | 14 | 25 | 2 | Sane Holdings | 193 | + | 0 | 193 |
| Gr. C. C. P. | 900 | — | 0 | 9 | — | SAPP | 396 | + | 0 | 396 |
| Gen. Occid'n'l | 986 | + | 1 | 15 | 2 | Cl. G. Smith Sugar | 290 | + | 0 | 290 |
| Imetal | 658 | — | 0 | 5 | 7 | Star Breweries | 181 | + | 0 | 181 |
| Jacques Borel | 133 | — | 0 | 2 | 7 | Tiger Oils and N. Mig. | 1750 | + | 0 | 1750 |
| Leclercq | 1408 | + | 2 | 20 | 7 | Unisec | 165 | + | 0 | 165 |
| L'Oreal | 651 | — | 4 | 25 | 3 | | | | | |
| Legend | 1590 | — | 0 | 37 | 5 | | | | | |
| Main's Phonos | 850 | — | 20 | 39 | 7 | | | | | |
| Michelin | 151 | — | 1 | 15 | 1 | | | | | |
| Moët-Hennessy | 629 | — | 14 | 35 | 3 | | | | | |
| Moulinex | 915 | + | 3 | 5 | 3 | | | | | |
| Paribas | 2165 | + | 0 | 1 | 10 | | | | | |
| Reclay | 830 | — | 0 | 1 | 7 | | | | | |
| Pernod Ricard | 264 | — | 3 | 16 | 5 | | | | | |
| Peugeot Citroën | 299 | — | 1 | 17 | 5 | | | | | |
| Poind | 287 | — | 2 | 27 | — | | | | | |
| Radio Tchécos | 337 | + | 4 | 50 | 9 | | | | | |
| Redoute | 337 | — | 0 | 6 | 0 | | | | | |
| Rhone Poulenc | 120 | — | 3 | 1 | 10 | | | | | |
| St. Gobain | 1251 | + | 0 | 9 | 15 | | | | | |
| St. Roesigne | 1440 | — | 48 | 59 | 2 | | | | | |
| Telex | 734 | — | 2 | 30 | 4 | | | | | |
| Thomson Brandt | 126 | — | 6 | 6 | 16 | | | | | |
| Ulmor | 85 | — | 0 | 4 | 7 | | | | | |

| BRAZIL | | | |
|----------------------|--------|--------|-----------------|
| Aug. 28 | Price | + or - | Cr. Vld. Div. % |
| Aeslita | 1.04 | +0.01 | 14.10 |
| Banco do Brasil | 1.04 | +0.01 | 11.07 |
| Banco Itau P.N. | 1.39 | +0.01 | 0.06 |
| Belgo M. Air Op. | 1.75 | +0.05 | 0.08 |
| Colas Amer. P.R. | 1.85 | -0.07 | 0.08 |
| Petrobras P.R. | 1.38 | +0.01 | 0.15 |
| Pirelli Op. | 1.38 | +0.01 | 0.08 |
| Souza Cruz Op. | 2.80 | — | 0.08 |
| Unipar | 1.38 | +0.01 | 0.15 |
| Vale Rio Doce P.R. | 1.85 | +0.05 | 0.15 |
| Turnover: Cr. 209.3m | Volume | 129.7m | |

| SPAIN | | | |
|----------------------|-------|--------|-----------------|
| Aug. 28 | Price | + or - | Cr. Vld. Div. % |
| Asland | 110 | — | |
| Banco Bilbao | 261 | — | |
| Banco Central | 289 | — | |
| Banco Exterior | 264 | — | |
| B. Granada (1,000) | 134 | — | |
| Banco Hispano | 252 | — | |
| Bco. I. Cat. (1,000) | 192 | — | |
| Banco Madrid | 192 | — | |
| B Santander (250) | 266 | — | |
| Bco Urquiza (1,000) | 223 | — | |
| Banco Vizcaya | 263 | — | |
| Banco Zaragoza | 214 | — | |
| Diaguardo | 134 | — | |
| Fisco (1,000) | 55 | — | |
| Inditex | 55 | — | |
| Iberdrola | 55 | — | |
| Pireolizer | 83 | — | |
| Petrolitos | 130 | — | |
| Sogelisa | 122 | — | |
| Telefonica | 68 | — | |

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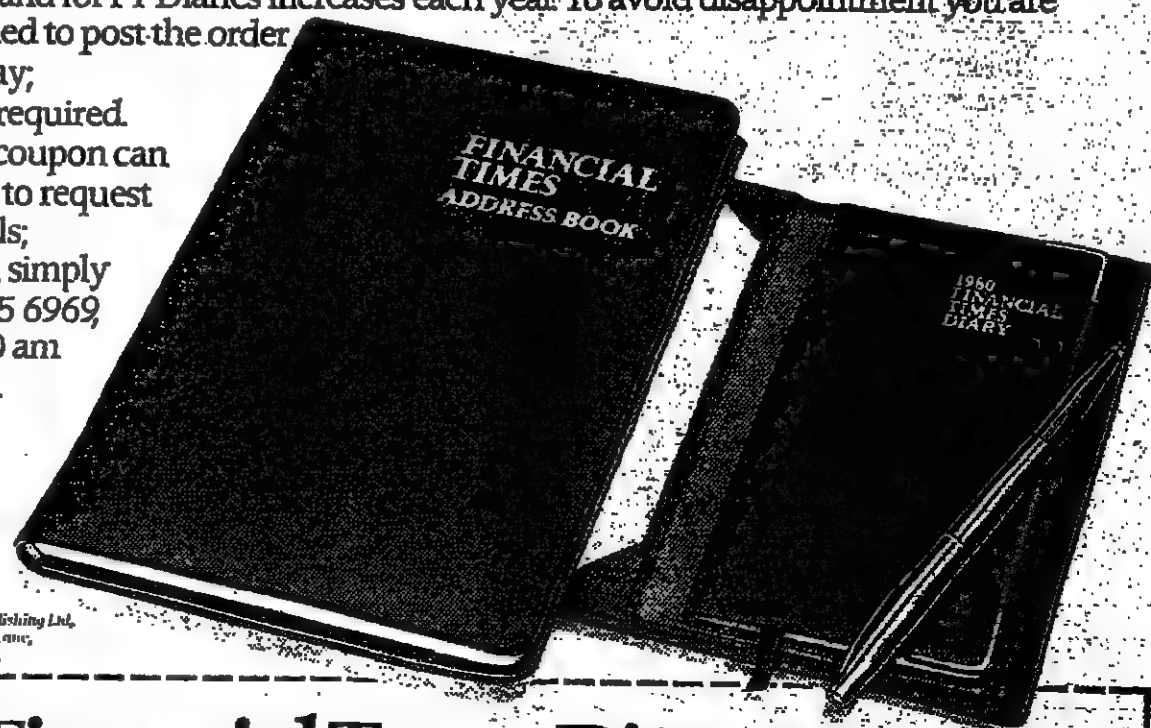
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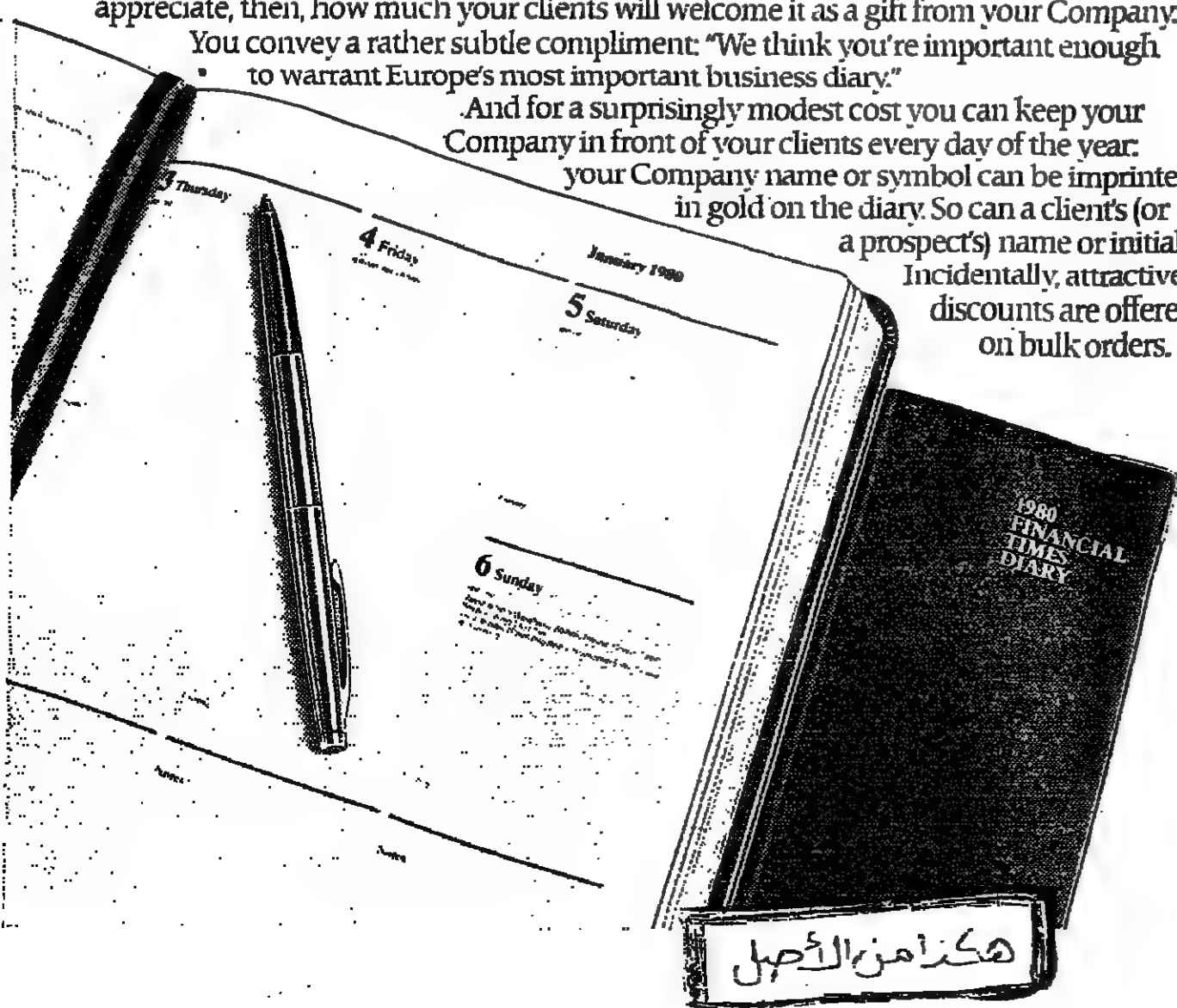
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The world's equatorial belt houses its lushest breeding climate and at the same time most of its underprivileged poor. To correct this imbalance is one of the primary tasks of the better-off temperate zone societies.

Enough
for all
to live
on

15. a paradox of demography at the tropical and some sub-tropical parts of the world could encompass the world's worst examples of poverty, malnutrition and outright misery. Together with large areas of famine at its most marginal, despite the fact that they possess sources of land and water and climate sufficient to give all their peoples enough to live and joy, a measure of human

But the fact is that the warmer part of the world's production and surplus food production is in the temperate zones, where conditions for growing are often harsher than they would be found nearer the equator. The reasons for this are possibly climatic. The softer weather encourages luxury, the excessive needs of clothing and housing are nothing like so demanding. They are also subject to extremes of drought and rainfall, pests and disease to an extent unknown in temperate zones.

The tropics have also been subjected to exploitation by European and other interests over the centuries. This started as simple trading and then developed into the plantation systems of growing specialised crops in certain areas. These succeeded remarkably well for a very long time. But they did contain the seeds of the disintegration of the subsistence farming by which the inhabitants of these countries had lived in the past.

...If a whole area has been given over to sugar, rubber, cotton or what have you, the basic foodstuffs have to be imported from somewhere else, either in that country or abroad. This immediately imposed a money economy on what had been until then a relatively self-sufficient one.

Then, after some pretty ruthless exploitation, either conscience or expediency led the plantation owners and colonial governments to institute welfare and hygiene for their workers. Immediately populations began to rise, and surplus labour became available for which there was no work. This situation is getting worse by the minute.

This human factor is, I believe, a far more serious problem than the simple technical ones of preventing crop diseases or the tsetse fly. In many of these countries the visitor is shown splendid examples of modern plantation farming or smallholdings, replete with co-operatives, schools and clinics. But these are the lucky ones. They may be on an economic treadmill but they do have enough to eat and something to do.

A few miles away are the appalling shanty towns where

literally millions of deprived citizens wait for work that never comes. I have heard administrators in these countries blame the shanty dwellers for having left their rural villages. But although simple subsistence might have been possible once, this no longer is enough. They demand something more from society, and this assisted by the pressure of the increasing birth-rate drives them too the towns.

A cynic could suggest that the provision of hygiene should have been held in check until there were sufficient resources to occupy and sustain the rising populations. But welfare schemes are comparatively cheap, and have the advantage of placating the consciences of the providers of funds. It is marvellous to read that smallpox, bubonic plague and malaria have been abolished over wide areas, and it is a credit to human ingenuity. But the other half of the equation has still to be met—how to integrate those rescued by this means from destitution and misery.

Of course the ruling factions in these countries do deserve some of the blame. The fact that much corruption and general misgovernment appears to be endemic in these zones cannot be held to be entirely the fault of the West or the sometime "colonialists." They may have left a power vacuum when they gave up ruling or allowed their plantation and industry to be taken over. But the new rulers have been in power for at least a quarter of a century. They have had time to do a great deal more for

themselves than they have already. But they are also locked in an inescapable straitjacket.

Many, if not all, their resources are agricultural, which occupy large proportions of their peoples. The industrial development of the West was accompanied by a shrinkage of the agricultural population. In fact the Industrial Revolution was paralleled in a number of ways by the rationalisation of agriculture, so that it became much more productive as it had to make up for the labour lost to the factories.

In the developing world up until now there have only been very limited opportunities for industrialisation on the Western model. True, there are the examples of Taiwan, South Korea and Malaysia which have shown that new technologies can be swiftly be learnt and adopted. But the success of these countries has been paralleled by very strong reactions from the Western industrialised nations, which have no wish to add to their dolc queues by opening their doors to unrestricted imports from the developing countries. This is all a long way from

the physical problems of tropical farming but it is fundamental to an understanding of its overall complexity. But there is also a further and much more serious factor. The energy crisis has hit the West hard but has had an even more serious impact on the developing economies. The general recession in the world markets has had the effect of reducing the demand for the soft commodities on which so much of tropical agriculture depends, to say nothing of the more luxury products like out-of-season fruit and vegetables.

At the same time the consequent cost increases of mechanisation, fertiliser and all the other essential inputs of agricultural improvement which are dependent on energy—and few of them are not—are on an upward path. They are unlikely to be met by increased returns, at least in the foreseeable future.

The problems of this area, once basically agricultural, are now moving into the political

sphere. Can these once largely agricultural economies survive on their present basis at all, when in some respects they appear unable to give their citizens an adequate livelihood? Are the Western nations in a position to sacrifice some of their industrial advantages, and really share them with their less fortunate neighbours? It is an issue of fundamental importance to future world development which has until now been largely ignored.

Then are, as in so many human dilemmas, several possible solutions both political and economic—and one which is listened to in many of the developing countries is the siren voice of Communism. The successes of European Communism in the agricultural and economic fields are not particularly obvious. But the Chinese claim—and visual evidence supports them—to have been able to clothe and feed a quarter of the world's

population on land which many would have believed inadequate for a third of that number.

Whether the Chinese people will be able to endure for long their low living standards without protesting is impossible to say. But such considerations will weigh little with the increasing populations of the favelas, the barrios, the shanty towns and slums which appear to be the concomitant of tropical agricultural and other development on present lines.

Producers at the mercy of distant markets

THERE IS no doubt at all that the immediate problems of hunger and malnutrition in the developing tropical and subtropical countries could be relieved by the applications of known techniques to present resources of land and labour. A case in point is the Prebela project, on the slopes of Mount Popocatepetl near Mexico City. Here, a team from the Rockefeller Foundation — made up almost entirely of Mexicans — has shown the peasants how to achieve, by the simple application of known methods of husbandry and rotation and the provision of some credit for seed and fertiliser, dramatic increases in yields of the main crop, maize.

are the result of a measure of land reform which followed the Mexican revolutions by which the huge private estates were broken up and divided among the peasants. In terms of output the scheme has worked. No tractors or sophisticated machines have been used. But subsistence is not enough, and the area lacks an export crop of sufficient value to maintain the tiny holdings. There is no doubt though, that this could be replicated in most problem areas.

But even in areas of the world where the higher value crops like coffee, cocoa, rubber, etc., can be grown they suffer the disadvantage of the instability of all commodity markets. Because supply is

determined by the weather its quantity cannot be accurately forecast and demand is also dependent on many factors outside the growers' control. The present energy-induced recession in the developed countries is making for a fundamental reduction in demand.

This factor also makes improvements in production counter-productive. It is not much use raising the output of these soft commodities if the only result will be a fall in overall prices.

Preserve

The situation is made worse for the producing countries because many of their products

CONTINUED

are exported in the raw state and further processing is the preserve of the importing countries. A striking example of this is the export of round wood timber from West Africa which could well be sawn there and exported in a semi-finished

This is an important point because the higher the value of the product, the lower its proportionate freight cost. But processing requires investment by the developed countries, and this investment would be at the expense of vested interests and probably employment in those countries. In economic terms the tropical countries are still at the mercy of the importers, unless accidentally or on pur-

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Sime Darby... on the move in tropical agriculture

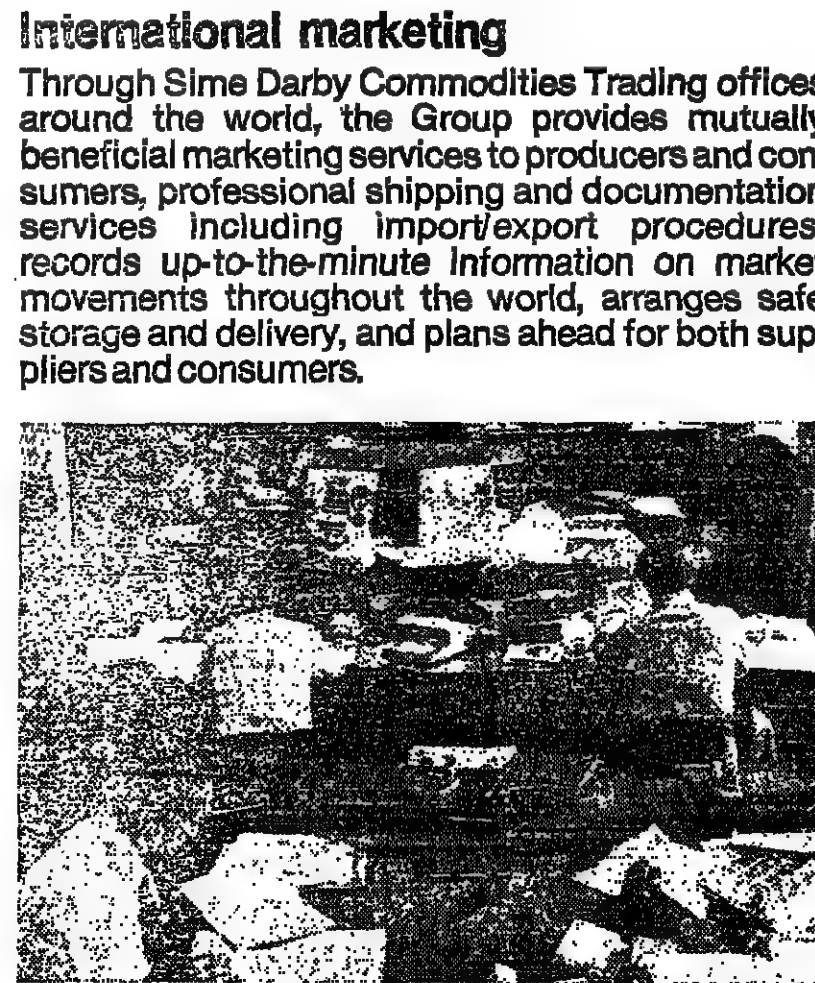
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A black and white photograph showing a large, dark, textured structure, possibly a dam or a large building, with a person standing on a platform in the foreground. The image is grainy and has a high-contrast, almost abstract quality. The person is small in the frame, standing on a light-colored, possibly concrete, platform or walkway. The background structure is dark and appears to be made of stone or concrete, with some vertical lines suggesting windows or architectural details. The overall scene is somewhat somber and industrial.



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TROPICAL AGRICULTURE II

Quest for stability in world prices

A GLANCE at the wild price fluctuations on the world markets for cocoa, coffee and sugar during the past 10 years shows just how erratic returns on these crops can be. Many developing countries in the tropics are dependent on these crops for the bulk of their export earnings, so it can be seen why they are so keen to bring some sort of stability into world commodity markets.

At present forward planning can be a nightmare for countries relying on exports of primary products as a mainstay of their economies. They have to deal not only with unpredictable weather but also with equally unpredictable movements in market prices that can turn expected profits into heavy losses.

The problem is compounded by the fact that many tropical products have a long gap between planting and final production, which involves a large element of risk when deciding on investment to expand output and processing capacity. Since it is equally important for consumers that there should be sufficient supplies of raw materials available, it makes sense for them to co-operate in helping to provide producing countries with a guaranteed minimum income. Unfortunately this is easier said than done.

The main mechanism favoured at present for stabilising commodity prices is international agreements between leading exporting and importing countries. The objective of these agreements is to protect producers against abnormally low prices by fixing a minimum (floor) price for the commodity based on the break-even cost of production. At the same time, mainly as a sop to consumers, a maximum (ceiling) price is also decided. The ideal situation is for the market price to be at the mid-point between the floor and ceiling—a level considered to be fair and reasonable both for producer and consumer.

A variety of measures is then used to try to ensure that prices stay between the floor and ceiling levels. The main weapon is the creation of a buffer stock, which is supposed to buy up supplies in times of surplus to prevent the market falling below the floor price and disburse any holdings it may have in times of shortage to stop prices rising above the ceiling level. One obvious weakness that is a source of considerable discontent to consumers is that while money can usually be found to stop prices falling too low it is normally impossible to obtain surplus supplies to prevent prices rising above the ceiling.

Then there is the question of market support measures. Many experts believe that the buffer stock operation is a costly and ineffective way of controlling prices. They argue that the creation of a big surplus stock basically depresses the market since consumers know it is there and are encouraged to keep their working stocks at a low level, thus passing the burden of stock financing to the market.

Even more concern is being expressed by the EEC about the import of tapioca, mainly from Thailand, which enters the Community under a reduced levy and is used as an animal feed. This is undermining the sale of barley for the same purpose and the EEC Commission is seeking to block any increase in these imports. This is a particularly interesting issue of principle, as the tapioca is processed for export by facilities financed by the main importers, Dutch and German.

Investment interests are also sceptical of the continuing stability of many developing countries and do not wish to see their assets nationalised by government or subject to changes over which they can have little control. This is an understandable position in view of past history, but some means will have to be found of advancing the industrialisation of these countries which have no other resources but those of agriculture.

Of equal concern has been the protection being given in the U.S. and EEC to home production of sugar, certain oil seeds and other products. Former colonies of EEC members are given favoured treatment for sugar and some tropical products under the Lomé Convention, but while this gives those countries continuing access, it effectively denies it to other non-ex-colonial exporters.

The EEC has been particularly attacked by some countries

values rising above the "ceiling" in times of scarcity.

Quotas

The same weakness applies to the supporting weapon for the buffer stock — production or export quotas to limit supplies available to the market during times of surplus. Like the buffer stock, quotas are really only effective in dealing with surpluses, not with shortages.

Nevertheless, since the prime objective of the commodity agreements is to protect the earnings of the poorer developing countries dependent on exports of primary products, there is not too much concern at them being weighted in favour of the producing countries.

So much for the theory. But what has happened in real life has been rather different. Only one commodity agreement — that for tin — has operated successfully for any lengthy period of time and even that has been heavily criticised. The international coffee agreement did control the world market to some extent for 10 years but is now in disarray. The cocoa agreement, after 15 years of hard negotiation, has still not been tested. The international sugar agreement too has so far failed to achieve its first objective of raising prices to a reasonable level let alone controlling the market.

Bitter experience has revealed all kinds of difficulties with international commodity agreements. The first hurdle is to agree on what are realistic prices. Many consuming countries see the demands for stabilisation from producers simply as another name for fixing prices at an artificially high level. It is extremely difficult to decide what is a fair price, since production costs vary widely from country to country. One country, for example, may be able to produce sugar reasonably profitably at \$175 a tonne, but others need a price of nearly \$300 just to break even.

It depends on the investment in the industry, labour costs, land suitability and the size of taxes imposed by the local government. Seeing the example of the EEC, consumers are extremely reluctant to agree a minimum price that is too high, thus encouraging inefficient producers to remain in business. Then there is the question of market support measures. Many experts believe that the buffer stock operation is a costly and ineffective way of controlling prices. They argue that the creation of a big surplus stock basically depresses the market since consumers know it is there and are encouraged to keep their working stocks at a low level, thus passing the burden of stock financing to the market.

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The EEC has been particularly attacked by some countries

Mounting

Over the past ten years there has been a substantial increase in palm oil production, a crop well suited to the tropics; at the same time the development of soy and other vegetable oils is expanding in more temperate climates. Although there is no actual ban on palm oil imports into temperate countries, pressures are mounting against them which may in certain countries be followed by action. It does look as though the producers of tropical agricultural products will have to fight hard to defend their economic futures, let alone to expand their share of what markets there are.

John Cherrington

At the same time knowledge that the buffer stock will be forced to intervene at certain price levels is a useful weapon for traders operating in the commodity markets. As mentioned previously, the buffer stock can really only properly defend a floor price, and quickly loses control of the market when a shortage situation develops.

Above all, a buffer stock-based commodity agreement does little or nothing to help a country suffering from a loss of earnings because of a reduction in exports because of weather or industrial disputes. A much better solution say opponents of buffer stocks, is that instead of wasting money building up expensive surpluses, producing countries should be compensated for loss of export earnings when the market goes against them.

The battle for and against buffer stocks has been fought mainly around the negotiations over the proposals of United Nations Conference on Trade and Development (UNCTAD) for an integrated commodities programme. At the heart of UNCTAD's proposals for a series of international agreements covering "core" commodities of most importance to developing countries is the controversial plan for a giant common buffer stock fund, from which the individual agreements could draw financial support when required. After several years of bitter wrangling it was finally agreed in principle last March to set up the common buffer stock fund, although it still remains to be seen how soon this can be put into practice.

But during the negotiations the concept of the common fund has greatly changed, mirroring the doubts about the effectiveness of buffer stocks and commodity agreements. For a start, the common fund has been greatly reduced in financial size from the original proposal of over \$600m to \$750m.

Of this \$750m only \$300m will be devoted to financing buffer stock activities (known as the first window) and \$450m will be assigned to the second window — research and development, market promotion and other related activities aimed at boosting the commodity exports of developing countries.

The change in emphasis reflects the failure to reach agreements for several vital commodities and the doubts that a buffer stock mechanism is the right way to stabilise the markets in many cases. In many well-pointed ways to future attempts to control commodity earnings. Instead of trying to regulate free market forces, it is felt more might be achieved by promoting and improving the commodity situation so that it is more stable, particularly against man-made substitutes.

However, this is a long way off yet, and would do little to help developing countries stabilise their export earnings against crops where possible and improving yields and methods of production.

Practical

A practical way to help developing countries is the Lomé Convention between the EEC and the African, Caribbean and Pacific countries. The Stabex scheme works on the principle of compensating exporting countries for loss of earnings when the markets, on the weather, turn against them.

Primary producers point out that the industrialised world needs the raw materials provided mainly by developing countries and should be prepared to pay an adequate price. If they do not, they are not only consigning a large number of people to near starvation but are also risking their own security by encouraging militancy among producers to form cartels (such as OPEC).

International commodity agreements were seen as a means of avoiding this kind of confrontation. But at present they are playing a more useful role in collating and disseminating market information than in controlling prices.

John Edwards
Commodities Editor

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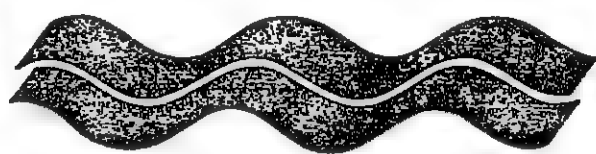
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CDC support for agriculture and forestry.

Renewable natural resources projects, principally agriculture and forestry, which CDC has helped to establish, comprise the production and in most cases the processing of palm oil, rubber, sugar, citrus, agricultural seeds, pulp and lumber, beef cattle, and the tropical beverages—tea, coffee and cocoa.

Of all new CDC commitments over the past four years, nearly 86 percent has gone to projects in the poorer countries and over 62 percent to renewable natural resources projects. In the latter sector this has meant an overall increase of some 160 percent, and with the commitment figure now over £175 million it represents about 43 percent of the corporation's total commitment.

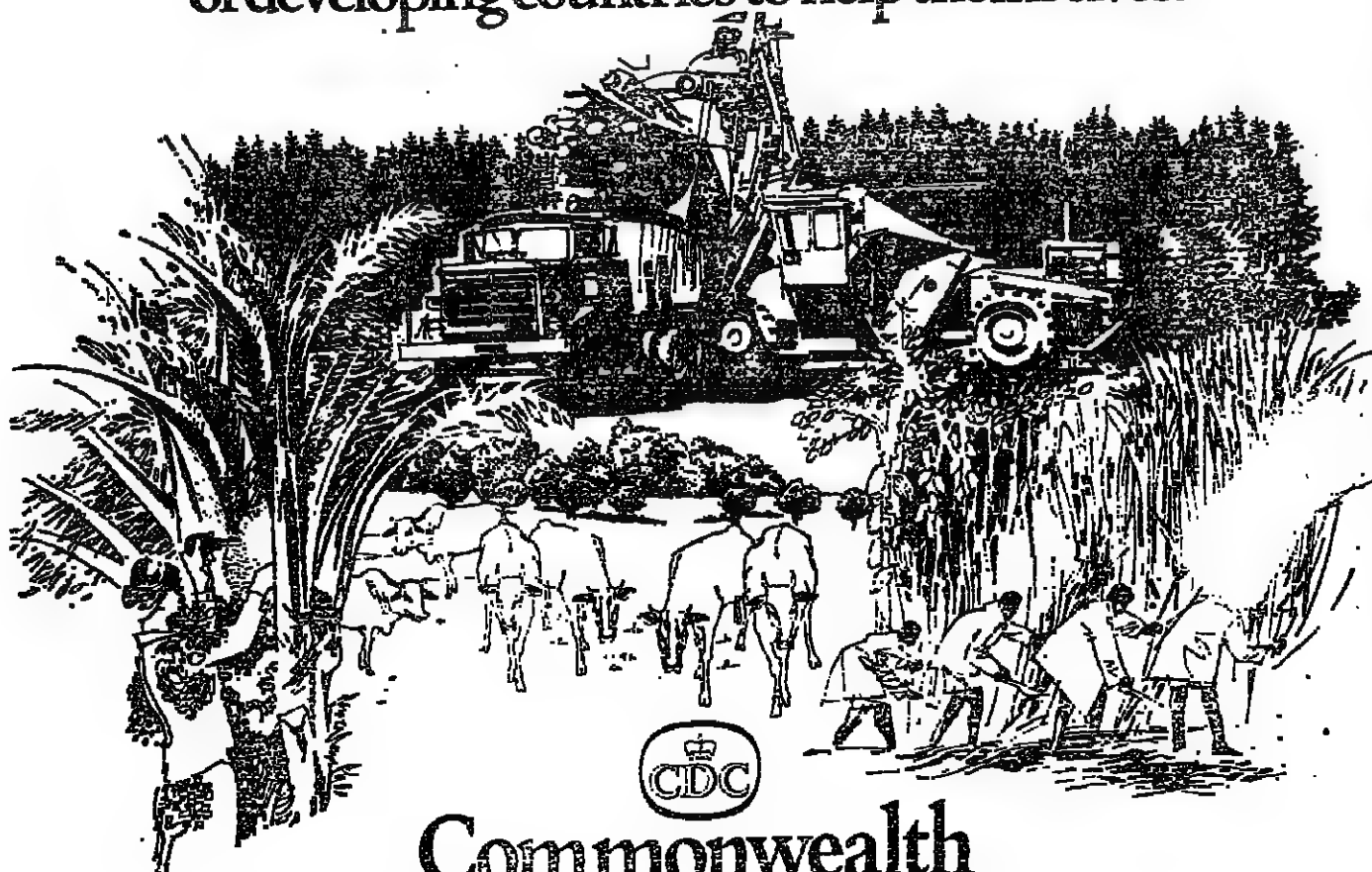
CDC has now invested in some 80 renewable

natural resources projects in the Caribbean, East Asia, Pacific Islands and East, Central, Southern and West Africa. The corporation is directly involved in the management or direction of 35 of these.

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مكنا من العمل

Soyabean tops

VEGETABLE OILS

OVERWHELMING dominance of world vegetable oil production by the soyabean is led by the U.S., which illustrates the dilemma of traditional oilseed farmers in tropical and sub-tropical areas. From a lowly 300,000 tonnes at the turn of the century, output of soyabean oil last year reached an estimated 12m tonnes. Production of palm oil, the other hand, starting around the same base, reached only 4m tonnes. The U.S. leads soyabean production with annual yields of 50m tonnes. China, the traditional "home" of this most diverse and flexible of crops, has been virtually standing still in the past decade, with annual output hovering around 10m tonnes. A relative newcomer, recently emerged as the second most important producer. Despite problems with drought damage the 1979 crop is expected to yield some 11m tonnes of beans. There seems no reason to assume that expansion and improvements in the U.S. going to slow down appreciably in the foreseeable future. That Brazil's emergence as a new power in this market going to be seriously hampered in the long run, the cultives of tropical oilseed producers are unlikely to be freed significantly. The U.S. has the world's largest oilseed crop, and while it is not yet suitable for consumers' purposes, new technology has helped ensure soyabean can to some extent substitute for most other vegetable oils. Apart from the marketing south of the U.S. industry, oil producers are also facing the effects of political recession in North America. U.S. have been applying pressure for years in a bid to competition from palm oil. The effects in the market are plain. In 1975 the U.S. imported 490,000 tonnes of oil. Last year shipments were down to 160,000 tonnes. Another serious blow was in May last year when

the U.S. Department of Agriculture told the National Cottonseed Products Association that the Government would no longer support loans through international funding organisations such as the World Bank for further palm oil development. "We do not feel obligated to provide any money to countries abroad to develop the production of any commodity that is in over-supply," a senior spokesman said.

This struck home particularly in Malaysia, which has recently overtaken Nigeria as the world's biggest palm oil producer and where there are ambitious plans for expansion. National planners have decided that palm oil should become Malaysia's main agricultural product. Export earnings from the crop last year equalled those from the present leading crop, rubber. Mr. Paul Leong, Primary Industries Minister, wants to see the country's output raised from an estimated 1.9m tonnes this season to 4m tonnes in 1985 and 5.5m tonnes in 1990.

Insistence

Other difficulties facing oilseed producers in the developing world, not just the palm oil exporters, include the growing insistence among buyers in the industrialised countries that their imports should come in crude form. This is in direct conflict with the policy in most producer countries that the extra value from refining and other processing should be added in their own factories.

After palm oil, rape or colza has emerged as the world's third most important vegetable oil. Growth has been relatively slow over the past 50 years but rapid expansion in Canada has added a spurt to production. Again we see the picture emerging of an industrialised Northern Hemisphere country expanding output while output in the traditional leading producer, India, has stagnated.

Now that difficulties with some of the more undesirable elements in the oil have been overcome by sophisticated plant breeding techniques, production in Western Europe seems set to take off. In the past the use of rape oil for cooking and in other food applications has been hampered by its high erucic acid content and other elements producing "off" flavour. Expansion is still being hindered, however, by the unsuitability of

rape meal—left after oil crushing—for extensive use in animal feed.

World groundnut production has doubled in the past 50 years, although expansion has slowed in the past 20. Trade in meal, the by-product of the oil crushing process, is limited by health laws in some countries. The oil faces stiff competition from soyabean and sunflower oils—all grown in the U.S.

Nigeria, once a leading producer and exporter, has not sold any groundnut oil abroad since 1975 and is now beginning to import it. This change, however, is as much a result of recent political upheavals, industrialisation and rural depopulation of the country as competition from substitutes.

Groundnuts remain a vital crop, however, in countries like Senegal and Sudan. South Africa is also rapidly expanding its production, while there is still enormous potential for increases in output in India if newer varieties can be introduced. India is already by far the biggest producer in the world and its crop of more than 6m tonnes this year contrasts sharply with the 1m to 2m tonnes produced in the other major growing countries.

Poor oilseed varieties and unreliable weather, however, lead to periodic shortages of oil there. Last year, for example, the sub-continent's output of edible oils fell almost 1m tonnes below requirements.

So long as the meal trade is inhibited by health problems and so long as only limited quantities of ground nut oil enter into world trade, there appears to be great opportunities for expansion. But the warning signs are already apparent. The U.S. Department of Agriculture warned recently that "crushing peanuts are expected to face stiffer competition in the world oil market from U.S. sunflower seed."

The message appears to be that as long as oilseed industries in the developing world do not impinge on the world market dominated by U.S. farmers they can expect little interference with plans to expand. Among nations seeking exports and foreign exchange earnings the indications are that they would be better off producing some other, less contentious commodity.

Chris Parkes

WORLD PRODUCTION OF MAJOR VEGETABLE OILS

(000's tonnes)

| | 1910* | 1930* | 1947* | 1952* | 1957* | 1962* | 1974 | 1976 | 1978 |
|-------------|-------|-------|-------|-------|-------|-------|-------|-------|--------|
| Soya | 300 | 920 | 1,602 | 2,183 | 3,407 | 3,329 | 8,325 | 9,128 | 12,000 |
| Groundnut | 643 | 1,625 | 1,708 | 1,799 | 2,619 | 2,973 | 3,183 | 3,252 | 3,494 |
| Maize | 45 | 90 | 105 | 133 | 155 | 186 | 287 | 410 | 455 |
| Rape | 1,080 | 1,018 | 1,468 | 1,576 | 1,219 | 1,246 | 2,713 | 2,269 | 3,562 |
| Coconut | 750 | 1,355 | 1,382 | 1,869 | 1,990 | 2,094 | 2,918 | 3,059 | 2,974 |
| Palm kernel | 150 | 270 | 340 | 403 | 428 | 413 | 497 | 543 | 630 |
| Palm | 280 | 472 | 618 | 856 | 1,047 | 1,003 | 2,900 | 3,368 | 3,970 |
| Sesame | 500 | 560 | 596 | 562 | 454 | 478 | 603 | 550 | 628 |
| Sunflower | 120 | 402 | 702 | 908 | 1,287 | 1,438 | 3,989 | 3,730 | 4,607 |

* Four-year averages.

Sources: Unilever and USDA.

Derivatives

SUGAR

MUCH HAS been made of the prospects for turning sugar into alcohol as a replacement for oil as an energy source. The argument is that sugar is a renewable source of energy that could, and should, be used to replace the diminishing supplies of oil.

The main impetus has come from Brazil, where a big drive is under way to increase alcohol production from sugar.

The initial objective is to include 20 per cent alcohol in petrol used for cars, which can be done without any engine modification. Cars which can use 100 per cent alcohol fuel are also being tested.

The whole idea seems very promising and investigations into the manufacture of alcohols from sugar, and other tropical

products, are under way in many countries.

Extra stimulus has been given by the fact that sugar prices are very depressed while the cost of oil is rising fast. However, as with so many ideas of this kind, it is not as simple as it seems. Despite the rise in the cost of oil, it is still not economically justified in most countries to turn sugar into alcohol.

In special cases, like Brazil, which has an urgent need to cut its imports bill and save

foreign exchange, alcohol from sugar can be justified as a benefit to the nation as a whole. But even more important is the fact that Brazil has the land available to grow the quantity of sugar required. In other words Brazil has the spare land which is not available in most other areas of the world. It should not be forgotten too that the production of more sugar requires increased energy input in the form of fertilisers, pesticides and normal farming requirements.

The creation of alcohol-processing capability is also capital-intensive and requires a stable source of raw material supply. So no project can be undertaken lightly. The turning of sugar into alcohol used to be a desperate last resort for disposing of surplus supplies. While the rise in oil prices, and the fall in sugar prices has transformed the picture at present, it could be argued that sugar prices cannot remain at these depressed levels for much longer. Indeed market sources are predicting that there is no way a new world shortage of sugar supplies can be avoided if present trends continue. The depressed prices have brought investment in new production capacity to a standstill, while consumption is now grow-

ing strongly again especially in developing countries. Even without any crop disasters it is predicted that demand will exceed production in the forthcoming season and that the huge surplus stocks will be eroded within the next two to three years. Maize-based sweeteners (isoglucose) have captured a large share of the U.S. sugar market, and present a constant threat. But elsewhere in the world they have made little progress so far, and in any event are being offset by the increasing use of sugar for industrial purposes—not only by conversion into alcohol but also into chemicals and pharmaceutical products.

The main depressant on the world market at present is the dumping of huge quantities of surplus EEC beet sugar, with the aid of big subsidies aimed at bridging the gap between the high price guaranteed to EEC growers and the world market.

So far the Common Market has managed to fend off the growing barrage of protests about the way it is reckoned to be undermining the livelihood of developing countries—partly because it imports some 1.5m tonnes of cane sugar from developing countries under the Lomé Convention. But pressure

CONTINUED ON NEXT PAGE

Problems of the oil crisis

RUBBER

THE OIL crisis has set a classic "swings and roundabouts" problem for those whose business it is to forecast future trends in the natural rubber market.

Oil is the basic raw material for the manufacture of synthetic rubber, so a rise in its price inevitably tends to improve the competitiveness of the natural product. But the massive oil price rise seen recently, and the cutback in supply, has threatened to plunge the world into a major industrial recession which may well have an even greater impact on demand for natural rubber.

Some influential forecasters have predicted that rubber prices will rise sharply in the second half of this year in response to reduced supplies and higher synthetic prices. These predictions have prompted speculative buying which has re-

sulted in brief price surges but with professional traders remaining highly sceptical the overall trend has been downwards for the past few months.

In June Conticommodity, a subsidiary of Continental Grain Company of the U.S., forecast that prices would rise 25-30 per cent by the end of this year. This would mean a physical spot price for RSS No. 1 rubber of between \$10 and \$12 a kilo. A more modest increase was predicted a few weeks later by the Economist Intelligence Unit. The ECU thought the RSS No. 1 spot price would rise to about 75p a kilo.

But even the ECU figure now appears wide of the mark. The spot rubber price, which stood at 65p a kilo at the time of the Conticommodity forecast, has since fallen to 57.5p and shows little sign of rising.

Apart from the rising synthetic price Conticommodity's forecast on the assumption that world rubber consumption this year would be 3.55m tonnes, exceeding estimated production by 115,000 tonnes and reducing

world stocks to their lowest level since 1968.

"I believe this assumption is fundamentally wrong," a leading London trader said at the time. "On present indications production this year should be enough to satisfy demand and a modest drop in prices by the end of the year seems on the cards."

So far at least events would seem to have proved him right, and his view of the situation is now widely shared.

A recent report by ACLI Rubber Company of New York states that the international rubber markets are at last "taking into consideration, at least to a greater extent than before, the fundamentals that should affect the market's behaviour over the next several months."

ACLI noted that the speculative element has been dominating the market, causing sharper reactions to "bullish" rumours than to "bearish" news. "We now discern more sharply accentuated downward reactions," the report says, "while upward moves are more gradual."

Predictions of a production shortfall have been received with fairly general relief. In Kuala Lumpur market operators were beginning to feel nervous about the spiralling prices, which had lifted them to historically high levels. They feared that if the rubber price "balloon" were to burst, rather than just gradually deflate, prices could fall as sharply as they had risen.

"The price increase is welcome," one KL dealer commented at the time, "but the sharpness of the increase must be viewed as unhealthy."

There were doubts in the East that the upsurge had been justified by purely fundamental factors and many traders believed it was largely the result of a strong technical "squeeze" as operators battled for control of the market.

There were also suspicions that the strong U.S. demand at that time partly reflected purchases by tyre companies to enable them to rush production in anticipation of strikes later in the summer.

Richard Mooney

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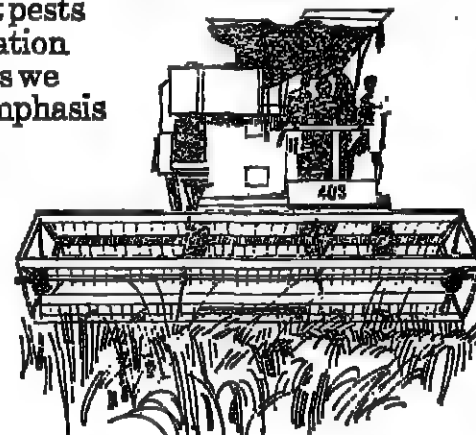
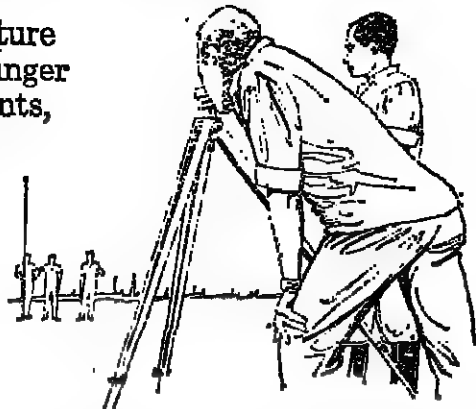
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THERE IS always something exciting about large projects growing cash crops in developing tropical countries. The straight lines of irrigation canals and the sheer bulk of factories, often seen from the air after hundreds of miles of scrub or untidy looking subsistence plots, are indications of vision, commitment and somebody's very hard work.

Formerly these schemes, producing such crops as sugar, tea, palm oil, rubber or cotton, were either implemented by colonial civil servants—in the case of the Gezira cotton scheme in Sudan, for example—or by big plantation companies like Dunlop or United Africa Company (UAC), the Unilever subsidiary, channeling the output into their marketing and manufacturing systems in the West. Now there are virtually no colonial civil servants left, while the role of the plantation companies has been curtailed as the political ground rules in most Third World countries have changed.

Instead a small group of Western companies with the capacity to implement, equip and manage new projects, and a rather greater number of specialised consultants, are usually responsible for tropical cash crop schemes, large and small. Their main contribution is management; if they take an equity stake at all it will usually be small. Generally most of the funds for such schemes are put up by aid donors and concessional finance institutions in loans or equity, while the host government usually has a majority stake. Considerable emphasis is placed on training local nationals to take over from Western expatriates. And if things go wrong the reason is as likely to be political as technical.

In Britain four of the best known organisations involved in this kind of operation are Booker McConnell, Tate and Lyle, Lonrho and the Commonwealth Development Corporation. Of these only the first two have the capacity to implement and equip most projects almost totally from within the group itself and in both cases this ability stems from the companies' previous involvement in plantation agriculture. Booker McConnell's big sugar estates in Guyana were

nationalised in 1978 but Bookers was already involved in evaluating and implementing projects for others. The division of the group responsible for this is Booker Agriculture International (BAI), which has handled well over 100 jobs, large and small, this decade.

BAI sees its work in three categories. First it functions as an agricultural consultant, studying and advising on schemes and possibilities much like other consultants but with the difference that it is capable of implementing—and is always prepared to implement—its own reports. Secondly, it provides management and technical services to projects where it does not have a corporate management role. Thirdly, it implements whole projects under management agreements, with or without an equity stake in them, but always earning a fee and a profit-related bonus or commission.

Estate

For example, BAI is implementing a big sugar scheme, the Middle Juba project, in Somalia—an estate designed to produce 50,000 tonnes of sugar a year from 6,000 hectares of irrigated cane. Despite big physical problems in implementing this scheme, which is financed by Arab aid agencies, it is broadly on schedule for the start of production next year and BAI will be continuing to manage and develop it after completion of the first stage. The factory is being supplied and built by Fletcher and Stewart, Booker McConnell's engineering subsidiary.

In neighbouring Kenya BAI runs the Mumias Sugar Company, which combines an estate and smallholder cane producers in one of the most successful sugar schemes of its kind in the developing world. The estate forms the nucleus, to justify the capital investment, but the majority of the cane is grown by the smallholders. Altogether some 11,500 farmers were cultivating cane at Mumias last year and the estate also employed some 3,850 permanently. Having produced 92,500 tonnes of sugar last year Mumias is being expanded to produce 180,000 tonnes a year by 1980. Booker McConnell has an equity stake.

BAI's main rival is Tate and Lyle Technical Services (TLTS). Tate and Lyle still owns almost the whole of a sugar estate in Belize and has stakes in estates in Zambia and Swaziland, but like Bookers its role as a plantation company is being transformed. TLTS has an impressive list of completed and current projects and claims to have an advantage over BAI in having a large marketing structure which enables it to trade the products of the schemes it is involved in. Tate and Lyle is also strong in research, especially into the development of power alcohol, a sugar by-product which could transform the energy supplies of developing countries.

TLTS recently completed the Ferkessedougou II sugar plant for the Ivory Coast Government under a turnkey contract and is implementing the Simunye scheme in Swaziland as management contractor for the Royal Swaziland Sugar Company. Tate

and Lyle is supplying the milling equipment, but won the contract at international tender. Though some of the bigger ventures in which both TLTS and BAI are concerned are in sugar, they are also heavily involved in developing other crops.

The Commonwealth Development Corporation is a unique organisation, owned by the British Government, with a great chain of disparate enterprises all over the developing world, mainly but not exclusively in Commonwealth countries. Its assets range from stakes in hotels to power supply companies and it is a provider of capital to many different enterprises, almost invariably in joint venture with other concerns. Like Bookers and Tate and Lyle, with which it often works closely, one of its key functions is as a supplier of expertise.

CDC is, for example, a shareholder in the Mumias scheme; it is implementing a big project, the Savannah sugar project, on behalf of the government in Nigeria; and it is involved either through equity stake or management or both in livestock, timber, tea, citrus, oil palm and cocoa. Perhaps its star project is in Swaziland, where it manages the Swaziland Irrigation Scheme growing sugar, grapefruit, oranges, rice, and cattle ranching. The sugar cane is sold to the CDC-run Mhlaba mill which grows 40 per cent of its own sugar cane requirement and takes part of the rest from outgrowers on the Vuvulane Irrigated Farms—a settlement scheme of small farms of up to 6.5 ha each. CDC also runs a management training centre as part of its Swaziland complex.

Lonrho now gives far less public emphasis to its agricultural activities than it did but it is still heavily involved in tea, oilseeds, livestock, leather tanning and—biggest of all—sugar. It produced 320,000 tonnes in 1978 from plants in Mauritius, Malawi, South Africa and Swaziland, and is implementing a new sugar project in Benin (in which it has a 5 per cent stake). It has also been implementing the Dwangwa project in Malawi, in which CDC has a stake.

Removed

Formerly it managed the vast Kenana sugar project in Sudan but after a series of difficulties the Arab shareholders removed its management contract. It still has a small stake and a seat on the executive committee of the shareholders on this scheme, which should begin producing sugar, nearly two years behind schedule, at the end of the year.

A range of specialised British consultants are involved in tropical agriculture, ranging from Hunting Technical Services (which does an enormous amount of survey work and feasibility studies to Sir Murdoch Macdonald and Partners, which has tended to specialise in irrigation. On a small scale Knight Frank and Rutley, better known as the UK estate agents, is expanding its roles in preparing feasibility studies and implementing pro-

jects in Africa—notably in Nigeria where private sector investors need help in drawing up schemes to take advantage of soft loans to farming.

There are no simple criteria for judging the success or otherwise of schemes in tropical agriculture. One developing country's needs and assets differ from another's. There are broadly three types of big cash crop scheme: first the plantation or estate where the land is under the ownership of a central management which runs a factory and employs labourers; where farmers are brought in from elsewhere to produce both cash crops for a central plant and subsistence crops for themselves; and third, the smallholder scheme where existing peasant farmers produce at least partly for a central factory.

Productivity per unit area may be higher on an estate than on a settlement or smallholder scheme, provided management is effective and labour can be hired easily. On a sugar estate it should be easier to maintain quality of output with a centralised management system, since this usually involves greater technical knowledge and faster implementation of remedies for problems.

Instincts

But provided the smallholder can be adequately controlled and organised, his natural acquisitive instincts may encourage him to maximise output and quality. This is certainly the case among the sugar outgrowers at Mumias and in Kenya's successful smallholder tea schemes in which CDC is involved. The criterion of productivity per family is less easy to assess.

The type of scheme adopted depends on the objectives of the local government; if it has to provide employment for a large population a smallholder scheme may be the answer. At Mumias the farmers were already on the land, the agricultural area is large, the soils drain

well and the poorer, less fertile soils are taken up by the estate, which runs the mill. In Somalia, on the other hand, BAI's Middle Juba scheme is an area of complex soil structure, irregular rainfall, sparse population and in one of Africa's poorest countries. There the Somali government decided that an estate was the answer.

The fact that many agricultural schemes around the world are often partially broken-down or operating far below capacity shows how important it is to both assess a project correctly and adopt the best method of managing it. Though the rhetoric of international conferences of this world conholder schemes tends to run against the peasant farmers' production management 'compulsions', in practice more countries are showing a hard-headed appreciation of the need to balance nationalistic fervour against the practical need to earn foreign exchange efficiently. Those countries which embrace pragmatism from the start—like Africa's Kenya, Malawi and Swaziland—are among the obvious success stories—are now enjoying the benefits. Others have not caught up.

But even the sensitive political background against which they operate. Western companies have to be exceptionally tactful and patient. A developing country's concept of how it wants a scheme to be run may change half way through implementation. Bureaucracy may turn out to be worse than had been thought; the agreed number of expatriates may not actually get the work permits they need from the Immigration Department; there may be a shortage of indigenous trained staff; and worst of all the flow of money from the financing concerns may be erratic—the story of the Kenana project in Sudan is a good example of this. The Western management companies are always learning, so jobs are the developing countries.

James Barron

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SUGAR

CONTINUED FROM
PREVIOUS PAGE

is building up within the EEC against the spending of huge sums (an estimated £400m this season) on sugar export subsidies. So when the common beet policy is reviewed this year there will be proposals aimed at cutting back excessive production and costly exports.

At the same time the EEC will be under equally strong pressure to join the International Sugar Agreement, once it has been ratified by the U.S. as seems likely later this year. A cutback in EEC subsidised exports could have an important impact in restoring world sugar market prices back to economic levels.

Loyally

The International Sugar Agreement, if it can successfully bring some stability back into the market, could also play a big part. Despite the failure of the agreement to lift prices to even the minimum level of 11 cents a pound, producer member countries have stuck loyally to the severe export quotas imposed. Once the U.S. Congress can be persuaded to approve ratification of the International Sugar Agreement funds should be made available to help poorer countries finance the additional reserve stocks they are holding as a result of the quotas.

But even without that aid, it seems very likely that the 10-year boom in the sugar market noted in 1963 and 1979 could well be repeated in 1983, as demand once again outstrips supply.

John Edwards

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Silver at record level

By John Edwards, Commodities Editor

SILVER PRICES reached new all-time peaks in London yesterday. The rise, after the upsurge last week, was attributed to the increase in gold, and London markets catching up after the holiday closure with a strong advance in the U.S. markets on Monday.

The London bullion spot quotation at the morning fixing was lifted from Friday's record level of 438.65p to 442.75p an ounce. The dollar equivalent at the fixing was put at 994.90 cents, although there was trading at over \$10 for the first time in early dealings.

Values eased slightly in later trading on unstimulating sales, encouraged by a decline in New York and the rise in the value of sterling. The Metal Exchange cash price closed at \$17.7p an ounce, 4.05p up on Friday's loss.

Copper, and other base metals, were also hit by the firm rise in sterling. Copper moved higher, boosted by an unexpectedly large decline in warehouse stocks. They fell by 2,250 to 163,125 tonnes.

Lead prices too were pressed by a rise of 1.20p in warehouse stocks to 10,325 tonnes. Zinc prices rose 1.00p to 15,350p, while tin advanced 1.00p to 14,825p.

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Guyana sugar strike ends

By Our Own Correspondent

A CRIPPLING sugar strike here has ended, with the powerful opposition-controlled Guyana Agricultural Workers' Union (GAWU) ordering its 20,000 members back to work.

The one-week stoppage, called in solidarity with bauxite workers, cut the week's sugar production to 23 per cent of its target of 10,940 tons, raising second crop output to 28,558 tons or 83.14 per cent of the target to date. The first crop yielded just over 110,000 tons, and the industry is still hoping for 330,000 tons when the year ends.

Dairy herd rises despite pressures from Brussels

BY CHRISTOPHER PARKES

THE SIZE of the English dairy herd increased last year despite strong political pressures for a reduction from the Common Market and in spite of the loss of large numbers of milk producers tempted out of the industry by EEC subsidies.

The June farming industry census, published by the Ministry of Agriculture yesterday, shows that the number of cattle in the national dairy herd was 2.94m head, 6,000 more than in June last year. There was also a 3,000-head rise in Wales.

While the total potato area fell 7 per cent, reflecting concern over imports now the national ban on mainland imports has been scrapped, the area sown to sugar beet rose 2 per cent.

The decline in the industry's workforce accelerated during the year under review. The number of regular full-time workers fell by 6,700 (4.4 per cent) compared with 4,000 the year before.

And the tendency for the number of farms to close has been highlighted in a recent report on the industry's future.

The report, by the Lord's Commission on the Future of the Industry, is continuing to be debated in the House of Lords.

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wheat crop forecast

second only to the U.S. in wheat exports

THE EFFECT of the harvest should be alleviated, however, by the expected good potato crop which will provide animal feed.

But grain imports last year reached 7.2m tonnes and future grain purchases will be determined by the availability of hard currency and grain import credits from suppliers.

Poland has already told the U.S. it would like to obtain \$500m worth of Commodity Credit Corporation grain credits this year, which is the sum received in 1977 and 1978.

But this sum will be difficult to achieve as the total CCC credit allocation has been reduced this year by the U.S. Congress.

World grain prices over the next 12 months are expected to average about 33 per cent higher than over the past year, the White House Office of Consumer Affairs said in Washington yesterday, reports Reuters.

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Stronger sterling hits cocoa

By Our Commodities Staff

THE RENEWED strength of sterling prompted a sharp fall in cocoa values on the London futures market yesterday.

Nearly 500 positions fell the \$40 permissible daily limit during the afternoon and the December quotation ended the day \$41.50 lower at \$1,412.50 a tonne.

Dealers said the decline was also encouraged by hedge selling against producer sales in the absence of manufacturer buying. Chart and stop-loss selling also helped to push prices lower.

In Accra, Ghana's commission for cocoa affairs, Mr. Kwame Afoh, said his country lost 50,000 tonnes of cocoa through smuggling into neighbouring countries last year.

He described the smuggling as "a social cancer". The world price was about £1,700 a tonne at the time, he added.

Early last month, Mr. Kwame Afoh, chairman of the Ghana Cocoa Marketing Board, claimed cocoa smuggling losses over the last 12 months amounted to only 15,000 tonnes compared with 25,000 in recent seasons.

On the London coffee futures market yesterday, the November quotation gained \$26 to £1,846.50 a tonne. Dealers said the rise was mainly due to having by the Rector Group of Latin America coffee producers.

Financial crisis for Indian tea

NEW DELHI—India's tea

plantation industry is faced with a financial crisis and many plantations are likely to close, according to Mr. B. Sivaran, secretary of the United Planters' Association of South India (UPASI), said here.

Mr. Sivaran said tea production had been affected by drought in the south and was also less than last year in the north.

Production in the north during the first half of 1979 was about 20m kilos less than during the corresponding period of 1978, when it reached 138.6m kilos, he said. Exports in 1978 were 10m kilos less than in 1977 to 169m kilos.

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CARIBBEAN SUGAR

Man-made problems cut cane output

BY DAVID RENWICK

CARIBBEAN COMMUNITY and Common Market (CARICOM) countries are going to be called upon this year to face some hard facts about their major agricultural cash crop, sugar.

For with the crop having closed in four out of the five regional sugar producing territories and less than three months to go to the end of the harvest in Guyana, the 1979 outlook is another disappointment for CARICOM producers and a blow to economies already shaken by a shortage of foreign exchange and economic stagnation generally.

Unless something unexpected occurs in Guyana, the crop is not likely to reach more than 866,333 tons in the whole CARICOM area this year.

This would be 17,397 tons less than last year's crop and 153,249 tons below the 1979 target set by the Sugar Association of the Caribbean (SAC) at the start of the year.

The significance of the shortfall can be judged by the fact that it is more than the combined guaranteed quotas assigned to Trinidad and Tobago, Barbados and St. Kitts-Nevis in the EEC market under the provisions of the Lomé Convention.

Not that any CARICOM territory is likely to renegotiate EEC commitments—because of the slump in output, the 430,000 tons earmarked for Europe has so far been shipped on schedule and this will continue, since it is clearly unwise to alienate a customer paying at least \$106 a ton in excess of the current world price.

The reality remains, however, that the 440,000 or so acres devoted to the growing of CARICOM cane fall each year to deliver the level of sugar production demanded of them and some official response to this situation is now needed.

Not all the causes of production shortfalls are the fault of nature, although it is true that 78,553 tons deficit in Jamaica this year has been caused

gradually turned over to crops such as rice, vegetables and fruit and the rearing of dairy and beef cattle.

Domestic food prices are high in Trinidad and Tobago's petrodollar-activated economy (the only one of its kind in CARICOM) and this is expected to be an incentive to the conversion process.

But perhaps the committee's most far-reaching suggestion concerned the approach Trinidad and Tobago should adopt to the remaining 90,000 acres that will continue to be used for cane growing and the production of sugar.

The Government accepted a radical reorientation of priorities and the export of raw sugar will no longer be the sole focus, as it has been for generations, and will be used increasingly as the raw material for industrial production.

This is in keeping with Trinidad and Tobago's view of itself as the manufacturing centre of CARICOM and logically accords with the Government's present plan to use local natural gas as the basis of a production programme which would include the manufacture of ammonia, urea, methanol and ethylene-based petrochemicals.

The enlargement of sugar-redding capacity would be an essential element in this transformation, in order to cater for the expanding food and confectionery manufacturing sector in Trinidad.

The capacity of the Usine St. Madeleine refinery in South Trinidad will be increased from its present 25,000-30,000 tons to at least 50,000 tons.

The value-added process is also planned to encompass the use of sugar or its by-products in the manufacture of animal feeds, syrups, vinegar, pharmaceuticals and industrial chemicals and the possible expansion of existing products related to sugar, such as rum and molasses, and the manufacture of particle board from bagasse and the fibrous residue of sugar cane crushing.

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BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Barely changed on balance in the London Metal Exchange, forward metal rose from 230 to 231 pence in the pre-market reflecting bearish covering, fresh buying and a decrease in stocks. Demand for cash material added the backwardation to around 2. The market eased fractionally during the afternoon but came under pressure after a steady decline on the metal exchange and a sharp decline on the New York market. Forward metal rose after a steady decline on the metal exchange and a sharp decline on the New York market. Forward metal rose after a steady decline on the metal exchange and a sharp decline on the New York market.

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COCOA

Cocoa futures moved little down

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COFFEE

Robusta opened on a steady note

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SOYABEAN MEAL

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Strength of Gold shares enlivens well-attended but colourless session in post-holiday stock markets

Account Dealing Dates

Option

*First Declara- Last Account
Dealings tions Dealings Day
Aug. 13 Aug. 23 Aug. 24 Sep. 3
Aug. 28 Sep. 6 Sep. 7 Sep. 17
Sep. 10 Sep. 20 Sep. 21 Oct. 1

New time "dealings may take place from 9.30 am to two business days earlier."

Another upsurge in South African Gold shares on the back of a bullion price at record heights enlivened an extremely slow session when stock markets resumed yesterday after the holiday weekend. The demand for Gold was widespread and brought gains of 1 among heavy-weight issues and relatively sharper rises in low- and medium-priced stocks which took the FT Gold Mines index up 6.6 more to 192.3.

Potential buyers of equities remained mindful of the uncertain economic situation and the escalation of the strikes in the engineering industry; they were not drawn by the start of the new trading Account and most leading shares hovered at around Friday's closing levels. It was thus left to situation stocks and those recommended in the week-end financial columns to provide most noteworthy price movements.

Two constituents of the FT 30-share index were quoted ex-dividend and partly contributed to a loss of 1.2 at the 10.00 am calculation, but the fall was soon recovered. After being unchanged at noon and 0.9 higher at 1 pm, the index eased to close 0.2 down on balance at 404.8. Total bargains amounted to 13,087, the lowest since this measure of business was introduced on June 4; the figure compares with last week's daily average of 14,864.

The session in Government stocks was also very slow, but a slightly firmer tendency emerged as a modicum of overseas support was attracted by sterling's fresh advance. Although gains were limited to 1, they were achieved against a drab background, motivated partially by a week-end Press which had initially casted quotations at the shorter end of the market to ease a tense.

Proceedings in the investment currency market failed to quicken and, in recognition of the improving pound, the premium slipped back again to close 1 1/2 points lower at 27 1/2 pence. Yesterday's SE conversion factor was 0.9028 (0.9017).

The traded options market began the short week in exceptionally subdued mood, with only 190 contracts reported, the lowest total this month. Only EMI, 79 trades, and ICI, 55 trades, attracted any real level of interest.

Guinness Peat firm

Buying ahead of the preliminary figures due shortly helped Guinness Peat put on 4 to 86p. Elsewhere in a lethargic banking sector, Standard Chartered firmed a similar amount to 466p with sentiment still buoyed by publicity given to a broker's bullish circular. Gerard and National hardened 2 to 266p following the company's decision to sell its majority stake in Astley and Pearce for £3.8m.

Moorgate Mercantile put on 1 to 13p among Hirs. Purchased but Provident Financial reacted from recent strength to

finish a couple of pence off at 83p; the latter's half-yearly results are due next Tuesday. The major classic banks lacked support and drifted lower, Midland losing 6 to 340p.

Features were few and far between in Insurances. Pearl rose 4 to 246p in front of today's first-half figures and Sun Alliance, interim figures due next week, closed a like amount harder at 544p. Hogg Robinson found support at 54p, up 4.

The firm undertone in Breweries resulted in the leaders closing shade harder on balance. Bass adding a penny to 232p. Selected regional counters came in for support, Burtonwood, 239p, and Vaux, 161p, gaining 4 and 3 respectively. Amalgamated Distilled Products prompted a couple of pence to 59p, the CEO bid United Engineers rose 3 to 82p, while Luis Gordon rose 3 to 45p. Distillers finished a shade better at 224p, while Tomatin attracted interest after Press comment and ended 6 up at 183p.

Special situations provided the main focal points of Building issues. Publicity given to a broker's circular stimulated interest in London Brick which firmed 2 to 67p, while favourable week-end Press comment put on 6 to a 1979 peak of 48p in response to contract news. Federated Land added 3 to 71p; last year the company announced interim results on September 12. Investment demand was forthcoming for Gough Cooper which rose 4 to 82p, but Barratt Developments eased 3 to 120p following a sell recommendation. Buying in thin markets was responsible for respective gains of 2 to 466p and 8 to 195p respectively in Burtons and Elmhurst, while Fairclough Construction hardened a penny to 76p in response to the satisfactory annual results. In Timbers, demand ahead of the annual results due on Friday lifted the price to 1979 peak of 142p. A penny firmer at the outset, ICI eventually settled that much cheaper on balance at 380p following a slow trade. Press suggestions of a bid worth 170p per share failed to stimulate much interest in Allied Colloids which hardened a penny to 123p. Coalite, however, benefited from an investment recommendation and added 2 to 86p.

A penny firmer at the outset, ICI eventually settled that much cheaper on balance at 380p following a slow trade. Press suggestions of a bid worth 170p per share failed to stimulate much interest in Allied Colloids which hardened a penny to 123p. Coalite, however, benefited from an investment recommendation and added 2 to 86p.

Style good again

Style Shoes started the new Account in the same firm manner as they had finished the old, a fresh bout of speculative buying

on bid hopes lifting the price to 13 more to 241p, after 243p.

Stores were featured by a rise of 6 to 168p in MFI Furniture following the chairman's optimistic remarks at the annual meeting. B. and Q. Retail saw buyers at 88p, up 4, while Lee Cooper, recently firm on Press comment, rose 3 to 210p. Empire, on the other hand, dipped 6 to 192p and W. L. Fawson relinquished 4 to 62p.

Among Electricals, GEC eased 3 to 379p, but Racal hardened 1 to 385p. Kvaerner International improved 4 to 229p after favourable Press comment, while buyers also came for Mubred, 5 up at 245p, and Unitech, 7 1/2 up at 189p. The nil-paid shares of the last-mentioned were also in demand and ended 7 to the good at 51p premium.

The current labour unrest in the industry lured potential buyers of the Engineering leaders and prices drifted lower from the outset. John Brown dipped 6 to 395p and Tubes cheapened 2 to 318p, while GKN softened a penny to 309p. Elsewhere, Green's Economisers continued to reflect bid possibilities with a fresh advance of 6 to 124p, after 125p, while Aversy rose 5 to 280p awaiting the Monopolies Commission's report on the GEC bid. United Engineers put on 9 to 92p and Wagon Industrial gained 5 to 165p. A shade harder in front of the interim results, DMI reacted on the reduced first-half figures to close a fraction off on balance at 49p.

In Foods, persistent small selling clipped a penny from Spillers to 45p, after 45p; bidders Daigley hardened a penny to 283p in a negligible trade. Awaiting today's annual results, Associated Dairies eased 3 to 370p. Rights Levied improved 2 to 370p, while Fairclough Construction hardened a penny to 76p in response to the satisfactory annual results. In Timbers, demand ahead of the annual results due on Friday lifted the price to 1979 peak of 142p. A penny firmer at the outset, ICI eventually settled that much cheaper on balance at 380p following a slow trade. Press suggestions of a bid worth 170p per share failed to stimulate much interest in Allied Colloids which hardened a penny to 123p. Coalite, however, benefited from an investment recommendation and added 2 to 86p.

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E. Fogarty up

Secondary stocks provided most of the interest in miscellaneous Industrials. Details of the long-awaited capital proposals helped E. Fogarty stand out with a rise of 18 to a 1979 peak of 385p, while George Ewer rose 3 to 45p on news that T. Cowie has acquired a 26 per cent stake. Macfarlane Group (Clans) gained 5 to 107p on the interim results, while improvements of 31 and 5 respectively in United Gas, 83p, and Myson, 89p, followed favourable Press comment. Dafay Bitumastic

Overshadowed by weekend Press conjecture about sales of the Government's shareholdings in the company, British Petroleum eased 5 to 1130p. Shell, on the other hand, hardened a couple of pence to 324p. Elsewhere in Oils, suggestions that the company may make profits from one of its tanker operations stimulated interest in Burmah which firmed 3 to 143p, after 144p. Aran Energy, dealt under special rule, jumped 13 to 185p on speculative demand.

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OFFSHORE & O'SEAS FUNDS

[illegible]

Investment Bankers

UNITED STATES SECURITIES

MINES - Continued

AUSTRALIAN

| | High | Low | Stock | Price | % Chg. | Div. Rate | Cm. |
|-----|------|-----|---------------------|-------|--------|-----------|-----|
| 14 | 14 | 9 | ACM | 12 | - | | |
| 15 | 15 | 4 | ACM 20C | 15 | - | | |
| 16 | 17 | 110 | Bongamille 50 Tons | 126 | - | 1015C | 1 |
| 17 | 180 | 240 | Central Pacific | 740 | - | | |
| 18 | 312 | 170 | Endeavour | 210 | - | NQ10C | 2 |
| 19 | 36 | 16 | Dallas Pacific M.L. | 19 | - | | |
| 20 | 21 | 11 | Endeavour 20C | 10 | -1 1/2 | | |
| 21 | 86 | 82 | M. K. Naborville 51 | 93 | - | 03C | 6 |
| 22 | 235 | 148 | Hammond 50C | 235 | - | 3.5 | 2 |
| 23 | 215 | 148 | Hammond 50C | 202 | - | 10C | 1 |
| 24 | 17 | 15 | Minerfield Expl. | 18 | - | | |
| 25 | 74 | 70 | Moore Lyell 25C | 48 | - | | |
| 26 | 142 | 11 | N. West African | 121 | - | 108C | 1 |
| 27 | 22 | 11 | North B. Hill 50C | 19 | - | | |
| 28 | 137 | 76 | Palmer 50C | 109 | - | 012C | 1 |
| 29 | 137 | 76 | Palmer 50C | 109 | - | | |
| 30 | 137 | 76 | Palmer 50C | 109 | - | | |
| 31 | 137 | 76 | Palmer 50C | 109 | - | | |
| 32 | 137 | 76 | Palmer 50C | 109 | - | | |
| 33 | 137 | 76 | Palmer 50C | 109 | - | | |
| 34 | 137 | 76 | Palmer 50C | 109 | - | | |
| 35 | 137 | 76 | Palmer 50C | 109 | - | | |
| 36 | 137 | 76 | Palmer 50C | 109 | - | | |
| 37 | 137 | 76 | Palmer 50C | 109 | - | | |
| 38 | 137 | 76 | Palmer 50C | 109 | - | | |
| 39 | 137 | 76 | Palmer 50C | 109 | - | | |
| 40 | 137 | 76 | Palmer 50C | 109 | - | | |
| 41 | 137 | 76 | Palmer 50C | 109 | - | | |
| 42 | 137 | 76 | Palmer 50C | 109 | - | | |
| 43 | 137 | 76 | Palmer 50C | 109 | - | | |
| 44 | 137 | 76 | Palmer 50C | 109 | - | | |
| 45 | 137 | 76 | Palmer 50C | 109 | - | | |
| 46 | 137 | 76 | Palmer 50C | 109 | - | | |
| 47 | 137 | 76 | Palmer 50C | 109 | - | | |
| 48 | 137 | 76 | Palmer 50C | 109 | - | | |
| 49 | 137 | 76 | Palmer 50C | 109 | - | | |
| 50 | 137 | 76 | Palmer 50C | 109 | - | | |
| 51 | 137 | 76 | Palmer 50C | 109 | - | | |
| 52 | 137 | 76 | Palmer 50C | 109 | - | | |
| 53 | 137 | 76 | Palmer 50C | 109 | - | | |
| 54 | 137 | 76 | Palmer 50C | 109 | - | | |
| 55 | 137 | 76 | Palmer 50C | 109 | - | | |
| 56 | 137 | 76 | Palmer 50C | 109 | - | | |
| 57 | 137 | 76 | Palmer 50C | 109 | - | | |
| 58 | 137 | 76 | Palmer 50C | 109 | - | | |
| 59 | 137 | 76 | Palmer 50C | 109 | - | | |
| 60 | 137 | 76 | Palmer 50C | 109 | - | | |
| 61 | 137 | 76 | Palmer 50C | 109 | - | | |
| 62 | 137 | 76 | Palmer 50C | 109 | - | | |
| 63 | 137 | 76 | Palmer 50C | 109 | - | | |
| 64 | 137 | 76 | Palmer 50C | 109 | - | | |
| 65 | 137 | 76 | Palmer 50C | 109 | - | | |
| 66 | 137 | 76 | Palmer 50C | 109 | - | | |
| 67 | 137 | 76 | Palmer 50C | 109 | - | | |
| 68 | 137 | 76 | Palmer 50C | 109 | - | | |
| 69 | 137 | 76 | Palmer 50C | 109 | - | | |
| 70 | 137 | 76 | Palmer 50C | 109 | - | | |
| 71 | 137 | 76 | Palmer 50C | 109 | - | | |
| 72 | 137 | 76 | Palmer 50C | 109 | - | | |
| 73 | 137 | 76 | Palmer 50C | 109 | - | | |
| 74 | 137 | 76 | Palmer 50C | 109 | - | | |
| 75 | 137 | 76 | Palmer 50C | 109 | - | | |
| 76 | 137 | 76 | Palmer 50C | 109 | - | | |
| 77 | 137 | 76 | Palmer 50C | 109 | - | | |
| 78 | 137 | 76 | Palmer 50C | 109 | - | | |
| 79 | 137 | 76 | Palmer 50C | 109 | - | | |
| 80 | 137 | 76 | Palmer 50C | 109 | - | | |
| 81 | 137 | 76 | Palmer 50C | 109 | - | | |
| 82 | 137 | 76 | Palmer 50C | 109 | - | | |
| 83 | 137 | 76 | Palmer 50C | 109 | - | | |
| 84 | 137 | 76 | Palmer 50C | 109 | - | | |
| 85 | 137 | 76 | Palmer 50C | 109 | - | | |
| 86 | 137 | 76 | Palmer 50C | 109 | - | | |
| 87 | 137 | 76 | Palmer 50C | 109 | - | | |
| 88 | 137 | 76 | Palmer 50C | 109 | - | | |
| 89 | 137 | 76 | Palmer 50C | 109 | - | | |
| 90 | 137 | 76 | Palmer 50C | 109 | - | | |
| 91 | 137 | 76 | Palmer 50C | 109 | - | | |
| 92 | 137 | 76 | Palmer 50C | 109 | - | | |
| 93 | 137 | 76 | Palmer 50C | 109 | - | | |
| 94 | 137 | 76 | Palmer 50C | 109 | - | | |
| 95 | 137 | 76 | Palmer 50C | 109 | - | | |
| 96 | 137 | 76 | Palmer 50C | 109 | - | | |
| 97 | 137 | 76 | Palmer 50C | 109 | - | | |
| 98 | 137 | 76 | Palmer 50C | 109 | - | | |
| 99 | 137 | 76 | Palmer 50C | 109 | - | | |
| 100 | 137 | 76 | Palmer 50C | 109 | - | | |

TINS

| | | | | | | | |
|-----|-----|-----|------------------|-----|---|-------|---|
| 30 | 23 | 22 | Ayer, Nigeria | 27 | - | 2.81 | 1 |
| 31 | 435 | 265 | Amal Hill S.M.I. | 515 | - | 0300C | 1 |
| 32 | 170 | 175 | Berjanta S.M.I. | 180 | - | 095C | 1 |
| 33 | 160 | 125 | Berjanta S.M.I. | 125 | - | 071 | 1 |
| 34 | 160 | 125 | Berjanta S.M.I. | 125 | - | 071 | 1 |
| 35 | 365 | 295 | Gopeng Cons. | 305 | - | 118.0 | 1 |
| 36 | 170 | 175 | Gopeng Cons. | 180 | - | 095C | 1 |
| 37 | 160 | 125 | Berjanta S.M.I. | 125 | - | 071 | 1 |
| 38 | 160 | 125 | Berjanta S.M.I. | 125 | - | 071 | 1 |
| 39 | 160 | 125 | Berjanta S.M.I. | 125 | - | 071 | 1 |
| 40 | 160 | 125 | Berjanta S.M.I. | 125 | - | 071 | 1 |
| 41 | 160 | 125 | Berjanta S.M.I. | 125 | - | 071 | 1 |
| 42 | 160 | 125 | Berjanta S.M.I. | 125 | - | 071 | 1 |
| 43 | 160 | 125 | Berjanta S.M.I. | 125 | - | 071 | 1 |
| 44 | 160 | 125 | Berjanta S.M.I. | 125 | - | 071 | 1 |
| 45 | 160 | 125 | Berjanta S.M.I. | 125 | - | 071 | 1 |
| 46 | 160 | 125 | Berjanta S.M.I. | 125 | - | 071 | 1 |
| 47 | 160 | 125 | Berjanta S.M.I. | 125 | - | 071 | 1 |
| 48 | 160 | 125 | Berjanta S.M.I. | 125 | - | 071 | 1 |
| 49 | 160 | 125 | Berjanta S.M.I. | 125 | - | 071 | 1 |
| 50 | 160 | 125 | Berjanta S.M.I. | 125 | - | 071 | 1 |
| 51 | 160 | 125 | Berjanta S.M.I. | 125 | - | 071 | 1 |
| 52 | 160 | 125 | Berjanta S.M.I. | 125 | - | 071 | 1 |
| 53 | 160 | 125 | Berjanta S.M.I. | 125 | - | 071 | 1 |
| 54 | 160 | 125 | Berjanta S.M.I. | 125 | - | 071 | 1 |
| 55 | 160 | 125 | Berjanta S.M.I. | 125 | - | 071 | 1 |
| 56 | 160 | 125 | Berjanta S.M.I. | 125 | - | 071 | 1 |
| 57 | 160 | 125 | Berjanta S.M.I. | 125 | - | 071 | 1 |
| 58 | 160 | 125 | Berjanta S.M.I. | 125 | - | 071 | 1 |
| 59 | 160 | 125 | Berjanta S.M.I. | 125 | - | 071 | 1 |
| 60 | 160 | 125 | Berjanta S.M.I. | 125 | - | 071 | 1 |
| 61 | 160 | 125 | Berjanta S.M.I. | 125 | - | 071 | 1 |
| 62 | 160 | 125 | Berjanta S.M.I. | 125 | - | 071 | 1 |
| 63 | 160 | 125 | Berjanta S.M.I. | 125 | - | 071 | 1 |
| 64 | 160 | 125 | Berjanta S.M.I. | 125 | - | 071 | 1 |
| 65 | 160 | 125 | Berjanta S.M.I. | 125 | - | 071 | 1 |
| 66 | 160 | 125 | Berjanta S.M.I. | 125 | - | 071 | 1 |
| 67 | 160 | 125 | Berjanta S.M.I. | 125 | - | 071 | 1 |
| 68 | 160 | 125 | Berjanta S.M.I. | 125 | - | 071 | 1 |
| 69 | 160 | 125 | Berjanta S.M.I. | 125 | - | 071 | 1 |
| 70 | 160 | 125 | Berjanta S.M.I. | 125 | - | 071 | 1 |
| 71 | 160 | 125 | Berjanta S.M.I. | 125 | - | 071 | 1 |
| 72 | 160 | 125 | Berjanta S.M.I. | 125 | - | 071 | 1 |
| 73 | 160 | 125 | Berjanta S.M.I. | 125 | - | 071 | 1 |
| 74 | 160 | 125 | Berjanta S.M.I. | 125 | - | 071 | 1 |
| 75 | 160 | 125 | Berjanta S.M.I. | 125 | - | 071 | 1 |
| 76 | 160 | 125 | Berjanta S.M.I. | 125 | - | 071 | 1 |
| 77 | 160 | 125 | Berjanta S.M.I. | 125 | - | 071 | 1 |
| 78 | 160 | 125 | Berjanta S.M.I. | 125 | - | 071 | 1 |
| 79 | 160 | 125 | Berjanta S.M.I. | 125 | - | 071 | 1 |
| 80 | 160 | 125 | Berjanta S.M.I. | 125 | - | 071 | 1 |
| 81 | 160 | 125 | Berjanta S.M.I. | 125 | - | 071 | 1 |
| 82 | 160 | 125 | Berjanta S.M.I. | 125 | - | 071 | 1 |
| 83 | 160 | 125 | Berjanta S.M.I. | 125 | - | 071 | 1 |
| 84 | 160 | 125 | Berjanta S.M.I. | 125 | - | 071 | 1 |
| 85 | 160 | 125 | Berjanta S.M.I. | 125 | - | 071 | 1 |
| 86 | 160 | 125 | Berjanta S.M.I. | 125 | - | 071 | 1 |
| 87 | 160 | 125 | Berjanta S.M.I. | 125 | - | 071 | 1 |
| 88 | 160 | 125 | Berjanta S.M.I. | 125 | - | 071 | 1 |
| 89 | 160 | 125 | Berjanta S.M.I. | 125 | - | 071 | 1 |
| 90 | 160 | 125 | Berjanta S.M.I. | 125 | - | 071 | 1 |
| 91 | 160 | 125 | Berjanta S.M.I. | 125 | - | 071 | 1 |
| 92 | 160 | 125 | Berjanta S.M.I. | 125 | - | 071 | 1 |
| 93 | 160 | 125 | Berjanta S.M.I. | 125 | - | 071 | 1 |
| 94 | 160 | 125 | Berjanta S.M.I. | 125 | - | 071 | 1 |
| 95 | 160 | 125 | Berjanta S.M.I. | 125 | - | 071 | 1 |
| 96 | 160 | 125 | Berjanta S.M.I. | 125 | - | 071 | 1 |
| 97 | 160 | 125 | Berjanta S.M.I. | 125 | - | 071 | 1 |
| 98 | 160 | 125 | Berjanta S.M.I. | 125 | - | 071 | 1 |
| 99 | 160 | 125 | Berjanta S.M.I. | 125 | - | 071 | 1 |
| 100 | 160 | 125 | Berjanta S.M.I. | 125 | - | 071 | 1 |

COPPER

| | | | | | | | |
|-----|----|-----------------|----|---|---|---|---|
| 111 | 56 | Messina RISO 50 | 80 | - | - | - | - |
|-----|----|-----------------|----|---|---|---|---|

MISCELLANEOUS

| | | | | | | | |
|----|----|-----------------------|--------|---|---|---|---|
| 8 | 54 | Burma | 59 | - | - | - | - |
| 9 | 12 | Barying Mines 17 1/2p | 10 1/2 | - | - | - | - |
| 10 | 12 | Chico, Murch. 10C | 240 | - | - | - | - |
| 11 | 12 | Chico, Murch. 10C | 240 | - | - | - | - |
| 12 | 12 | Chico, Murch. 10C | 240 | - | - | - | - |
| 13 | 12 | Chico, Murch. 10C | 240 | - | - | - | - |
| 14 | 12 | Chico, Murch. 10C | 240 | - | - | - | - |
| 15 | 12 | Chico, Murch. 10C | 240 | - | - | - | - |
| 16 | 12 | Chico, Murch. 10C | 240 | - | - | - | - |
| 17 | 12 | Chico, Murch. 10C | 240 | - | - | - | - |
| 18 | 12 | Chico, Murch. 10C | 240 | - | - | - | - |
| 19 | 12 | Chico, Murch. 10C | 240 | - | - | - | - |
| 20 | 12 | Chico, Murch. 10C | 240 | - | - | - | - |
| 21 | 12 | Chico, Murch. 10C | 240 | - | - | - | - |
| 22 | 12 | Chico, Murch. 10C | 240 | - | - | - | - |
| 23 | 12 | Chico, Murch. 10C | 240 | - | - | - | - |
| 24 | 12 | Chico, Murch. 10C | 240 | - | - | - | - |
| 25 | 12 | Chico, Murch. 10C | 240 | - | - | - | - |
| 26 | 12 | Chico, Murch. 10C | 240 | - | - | - | - |
| 27 | 12 | Chico, Murch. 10C | 240 | - | - | - | - |
| 28 | 12 | Chico, Murch. 10C | 240 | - | - | - | - |
| 29 | 12 | Chico, Murch. 10C | 240 | - | - | - | - |
| 30 | 12 | Chico, Murch. 10C | 240 | - | - | - | - |
| 31 | 12 | Chico, Murch. 10C | 240 | - | - | - | - |
| 32 | 12 | Chico, Murch. 10C | 240 | - | - | - | - |
| 33 | 12 | Chico, Murch. 10C | 240 | - | - | - | - |
| 34 | 12 | Chico, Murch. 10C | 240 | - | - | - | - |
| 35 | 12 | Chico, Murch. 10C | 240 | - | - | - | - |
| 36 | 12 | Chico, Murch. 10C | 240 | - | - | - | - |
| 37 | 12 | Chico, Murch. 10C | 240 | - | - | - | - |
| 38 | 12 | Chico, Murch. 10C | 240 | - | - | - | - |
| 39 | 12 | Chico, Murch. 10C | 240 | - | - | - | - |
| 40 | 12 | Chico, Murch. 10C | 240 | - | - | - | - |
| 41 | 12 | Chico, Murch. 10C | 240 | - | - | - | - |
| 42 | 12 | Chico, Murch. 10C | 240 | - | - | - | - |
| 43 | 12 | Chico, Murch. 10C | 240 | - | - | - | - |
| 44 | 12 | Chico, Murch. 10C | 240 | - | - | - | - |
| 45 | 12 | Chico, Murch. 10C | 240 | - | - | - | - |
| 46 | 12 | Chico, Murch. 10C | 240 | - | - | - | - |
| 47 | 12 | Chico, Murch. 10C | 240 | - | - | - | - |
| 48 | 12 | Chico, Murch. 10C | 240 | - | - | - | - |
| 49 | 12 | | | | | | |

Big drop in U.S. trade deficit

By David Buchan in Washington

THE U.S. trade deficit narrowed substantially in July to \$1.07bn from \$1.9bn the previous month, the U.S. Commerce Department announced yesterday. It was the second lowest monthly shortfall this year.

The trade figures, together with the steady recent increase in U.S. interest rates, are relatively good news for the U.S. dollar, which has stayed steady on foreign exchanges in spite of big gains in the price of gold.

Exports up

Imports in July dropped slightly to \$16.7bn, in spite of a continued sharp increase in the U.S. oil import bill, which rose though the volume of oil and petroleum products imports remained about the same.

The smaller July shortfall was mainly the result of a broad-based surge in exports, which rose from \$15.03bn in June to a record \$15.67bn last month.

The Administration has forecast a much smaller deficit on trade this year, compared with last year, and the July figures bring the shortfall so far this year to \$12.86bn as opposed to \$30bn in the first seven months of 1978.

Moderation

Mr. Anthony Solomon, U.S. Treasury Under-Secretary, this week forecast that the U.S. would move into "moderate surplus" next year. Clearly, some of the moderation in import growth is due to the current slowdown in economic growth, generating less demand for foreign products.

The Administration is likely to take heart from the export performance in July. Though disappointing export figures were recorded in April and May of this year, the Administration has long been predicting an improvement in the competitiveness of U.S. goods abroad.

Nigeria's oil revenue may rise by 50%

By Martin Dickson in Lagos

NIGERIA'S oil revenues this year may be 50 per cent higher than in 1978, Major-General James Oluleye, Nigerian Commissioner of Finance, said in Lagos yesterday.

He gave fresh statistics which underlie the sharp recovery in the Nigerian economy from last year's recession. The 1978 downturn stemmed largely from reduced oil earnings, but this year has seen an extraordinary improvement in its oil fortunes.

Production has been an all-time record of 2.4m barrels a day since the beginning of the year, but has been reduced to about 2.2m b/d and is expected to stay at that level. OPEC price increases have pushed the price of Nigeria's marker crude up by about 60 per cent in the past year.

Gen. Oluleye said provisional estimates by his Ministry suggested that oil revenues in 1979 would be N6.85bn (£5.4bn).

Real GDP growth, which dropped to 5.5 per cent in the last financial year, was forecast

to rise to 9.1 per cent in 1979-1980. The Minister expected the current account of the balance of payments to swing back into surplus in 1979 from last year's record deficit of N2.3bn (£1.8bn).

Foreign exchange reserves, which dropped to about N1bn at one time last year, were expected to be N2bn (£1.6bn), well over three months of imports, by October 1, when the present Military Government will hand over to a civilian administration.

Gen. Oluleye felt the Military Government had managed to put the economy on a "sound footing" in time for civilian rule. He did not envisage the new Government making major departures from present policy, but "they will have to do some things to make their presence felt."

Despite the higher oil revenue, he said, Nigeria had still budgeted for more than N1bn in external borrowing for the current financial year, which ends in March.

The Government had already raised N714m (£563m) in off-

shore credits, all project-related, and hoped to reach agreement on a further N71m though not all this sum would be drawn down during the year.

The N714m raised so far comprises N400m on an export credit basis from Hermes West Germany for the Delta steel plant project, and a further N50m for the same scheme raised in the Austrian market; a N70m line of credit from the Banque Nationale de Paris to finance a Nigerian external telecommunications link between Lagos and Abidjan; and three more Eurocredits, N98m for a road project linking the eastern towns of Onitsha and Enugu; N46m for the Benue cement works; and N50m for the dam on the Oyan River.

Gen. Oluleye said the Government hoped to raise loans for four more projects: N360m for the Onne port development project; N80m for three steel rolling mills; N104m for the Goro Goro Dam project; and N167m for the Lagos metropolitan water scheme.

Yard acts on alleged tele-swindles, Page 8

Vauxhall offers 17% pay package

By Philip Bassett, Labour Staff

VAUXHALL MOTORS has offered its 26,000 manual workers increases worth about 17 per cent, tied to agreements on performance and working practices, in one of the first major pay offers of the new pay round.

The progress of the offer, the first in the motor industry, will be closely watched by Ford workers and other groups which normally set the pace and which this year are later in the pay round. Vauxhall last year recorded its first net profit since 1977.

The move is likely to lessen the chances of a quick settlement to the two-month-old strike by Chrysler workers at Ryton and the Stoke engine plant in Coventry, who have been offered increases under the last pay round of 51 per cent and a productivity deal. Details are being considered at a series of shop stewards' and workplace meetings this week at the company's three plants at Luton, Dunstable and Ellesmere Port, but it seems unlikely that they will be accepted. Further negotiations are set for Friday.

Strike threat

There were reports yesterday that the 3,000 members of the Transport and General Workers' Union at the more traditionally militant Ellesmere Port plant would stage a token 24-hour strike today against the offer. Other reports suggested that the plant's TGWU members would be called to a mass meeting today to hear full details of the package.

Shop stewards at the company's main Luton plant considered the offer yesterday, and will hold a further meeting tomorrow. The package, tabled last week at two days of pay talks, is estimated within the company to be worth 17 per cent, though some union officials put it closer to 17 1/2 per cent.

Top-rate craft workers are offered pay increases of £13.20 to take their weekly basic to £100. Skilled workers would receive increases of £12.20, to take their rate from £88.00 to £99.20.

Middle-grade production workers would get £10.80, to take their basic rate from £77.20 to £88.00. Workers on the lowest band are offered £9, to take their basic rate from £68.80 to £77.80.

In addition to the pay increases, which represent rises of 13-15.2 per cent, the offer meets the union side's claim for holidays paid at time and a third, and puts forward a five-day Christmas holiday for this year.

The package is conditional on "total trade union and employee acceptance" of a commitment to improve performance: ending the "quota" system and instead working straight through the shift; total labour flexibility; and agreeing to do alternative work when there is an unofficial walk-out by one section.

The final condition, which union officials feel could be the most contentious, makes it clear that the guaranteed shift payment will not be paid if alternative work is not agreed.

THE LEX COLUMN

Beecham builds its U.S. base

Having once moved off the plateau marked by the 111 per cent prime, U.S. interest rates are now rising quite steeply. Yesterday saw a general batch of prime rate increases to 12 1/2 per cent, while Federal Funds were allowed to climb to 11 1/2 per cent before the authorities intervened. Expectations of a further half-point rise in the general level of rates are becoming widespread.

The dollar did seem to be encouraged by the higher rates yesterday. But it made gains at the expense of sterling, which remains very firm, and there was no pressure on the gilt-edged market.

Beecham

Beecham is good at buying businesses, and its \$85m offer for Jovan, a U.S. producer of fragrances and perfumes, looks well based. Net assets are only about \$30m, but the price is not outrageous—the company has grown from nothing to sales of \$78m in the space of a decade, and Beecham is paying a p/e of 13 1/2.

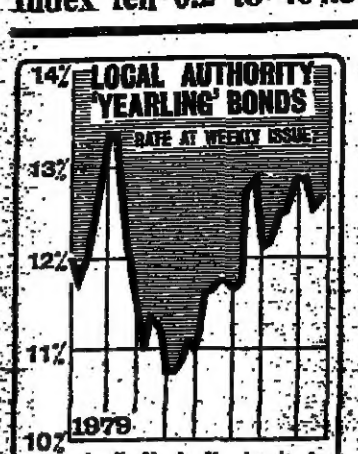
The bid will significantly strengthen Beecham's presence in the North American market for consumer products, taking its annual sales up to over \$220m. This is important for the group believes that by increasing the scale of its operations in this way it can afford to be more aggressive in its overall approach to the market. For instance, the \$82m acquisition of Calgon in 1977 is seen as an essential forerunner to Beecham's current attack on the U.S. toothpaste market with Aqua-fresh.

Here, the group is aiming for a tenth of a market which is currently worth around \$600m, and its promotional spending on the product this year could be in the region of \$25m. The healthy stream of earnings from Calgon makes such ambitions possible. Beecham, by the way, say that Aqua-fresh has got on to an excellent start: it is now at the crucial stage when repeat orders are starting to flow through.

Its growing consumer products business will help the group through what promises to be a dull couple of years on the pharmaceutical side. And Beecham is not doing anything out of the ordinary: several other leading pharmaceutical companies have been building up their diversified interests at a time when the time and expense required to launch new medicines have been growing rapidly.

Beecham had \$16m of liquid resources in its last balance sheet. Roughly half of which was outside the UK. So it will

Index fell 0.2 to 464.8



have no trouble in financing the Jovan offer—or the other acquisitions in the consumer products field, which it is currently planning elsewhere in the world.

Chemical majors

With a 45 per cent jump in its first-half profits, the Bayer Group has rounded off the interim results season of the German chemical majors. BASF's performance was the most impressive with a 58 per cent rise in its first-half profits, but both Bayer and Hoechst have experienced strong earnings growth in the first six months of this year.

The U.S. chemical majors have already reported buoyant profits in the second quarter. Dow Chemical's net income rose by 42 per cent in the April-June period while Du Pont and Union Carbide showed earnings gains of 31 per cent and 38 per cent respectively over the same period. Against this background ICI's first-half performance looks rather sluggish with first-half profits just 25 per cent higher.

All the big chemical companies in Europe and North America are making much the same sort of noise about the state of the industry at the moment. The recent sharp rise in energy and raw materials costs is not being matched by higher selling prices, but in the short term at least it is being offset by higher volumes. Every one is talking about the long-awaited downturn yet so far there is no definite evidence that it has arrived.

When the chemical industry finally starts to bite, it will inevitably look to be better placed than some of its rivals. It has never been as heavily involved in the man-made fibre business as say, Du Pont or Alkzo, and its stake in the Ninian oil field is proving

to be a valuable cushion at a time of sharp rises in energy costs. This poses something of a dilemma for the ICI fund manager who might be tempted to invest in overseas chemical companies rather than the relaxation of the exchange controls. ICI's management made of nearly 9 per cent, but at the same time a broad-based rise in the big shares, German chemical majors, but a rise in the day a decision to invest in ICI as opposed to Beecham will probably depend more on a view of the respective companies.

IMI

Caught on one side by rising sterling and on the other by striking workers, IMI's first-half profits fell 10 per cent from \$18.7m. Trading margins nearly 8 per cent last year, have fallen to just under 8 per cent.

The company is aware that the appreciation of sterling cost it \$2m a half through the direct impact on foreign earnings. But from the exchange movement in the current account, the impact on the balance of payments is much less. The company is particularly disappointed that when demand from customers was unusually high, it was unable to maintain a major problem, judging from the industry charges, the slip-faster side and around \$2m in the first half, and although rationalisation is proceeding the losses have not yet been entirely stemmed.

Fixed asset spending is rising at around the £100m level, and working capital needs are growing. It is not likely that a borrowing, after rising rather faster than in 1978, when there was a cash surplus of £10m. The interest charge, most be considerably higher than last year.

None of these leaves IMI in a particularly favourable position. The company is making much the same sort of noise about the state of the industry at the moment. The recent sharp rise in energy and raw materials costs is not being matched by higher selling prices, but in the short term at least it is being offset by higher volumes. Every one is talking about the long-awaited downturn yet so far there is no definite evidence that it has arrived.

When the chemical industry finally starts to bite, it will inevitably look to be better placed than some of its rivals. It has never been as heavily involved in the man-made fibre business as say, Du Pont or Alkzo, and its stake in the Ninian oil field is proving

industry's immediate prospects.

Spending squeeze at Treasury brings review of resources

By Peter Riddell, Economics Correspondent

THE TREASURY is itself to be subject to the squeeze on public spending. A major review is now under way on the internal distribution of resources to identify possible savings in staff.

Among the parts of the Treasury under particularly close scrutiny are the economic forecasting side and the exchange control division.

The work of the forecasters is already being looked at by the new ministerial team as part of a more general re-examination of the economic side of the Treasury. This is associated with the appointment of a new chief economic adviser later this year. The relaxation of exchange

controls already announced is expected to produce some savings by the end of this year among the 24 staff in this area. The review is part of the broader exercise under which all ministries have been asked to prepare estimates of the possible effects of 10, 15 and 20 per cent cuts in manpower costs by April 1982.

A problem for the Treasury, which employs just over 1,100 staff, is that it has always been a fairly tightly-run department with hardly any obvious scope for cutting. Moreover, its main functions will be unaffected by the general restraint on public spending.

A further difficulty is that a

higher than average percentage of the Treasury's total costs consists of manpower. There is likely to be a fairly tight squeeze to remain within the cash limit this year.

This ceiling on expenditure for 1979-80 was increased between April and June from £13.77m to £14.6m to allow for part of the cost of the large, and phased, Civil Service pay award. Nevertheless savings in staff are being made this year as the Treasury has always prided itself on not avoiding the impact of any squeeze on public spending.

Howe looks outside Whitehall, Page 7

Times loses £17m in six months

By Max Wilkinson

THE COST of closing The Times, the Sunday Times and the three supplements was £17.3m in the first half of this year, according to the interim report of the International Thomson Organisation, published yesterday.

Thomson's figures for the six months ended June 30 show pre-

tax profits were up by £2.5m to £63.2m on sales of £297m in spite of the loss made by Times Newspapers.

The total cost of the shutdown of the papers since November 30, 1978, is estimated at about £20m, and the continuing cost of closure is put at £1.7m a month, but this could be higher if more union groups reach agreement and return to work.

All the unions have agreed general proposals for a return to work except NATSOPA—the National Society of Operative Printers and Media Personnel. The company has failed to agree wage rates and manning levels for some of the groups in this union—particularly printers who work part time for the Sunday Times.

One of the obstacles to settlement is disagreement within the union. On one side are Mr. Reg Brady, Father (chairman) of the Sunday Times machine Chapel (shop) and Mr. Barry Fitzpatrick, Father of the Sunday Times Chapel. They are taking a more militant stand than the union's national leadership.

It appears unlikely that the papers could be back on the news stands before October at the earliest. However, the Times management seems to be more optimistic than at the beginning of the summer. The main cause of the shutdown was the failure by Times management to impose what it considered to be adequate discipline over its printers, particularly the Sunday Times

night staff. Disruption and stoppages became so frequent that the management said it could no longer guarantee regular publication. The management also wanted to introduce computer typesetting equipment, and new manning arrangements in exchange for some substantial cash benefits.

The issue of computer typesetting has been shelved, and agreement has generally been reached on the questions of industrial discipline. The outstanding point, therefore, is the attitude of NATSOPA to pay and manning. The union's national executive is meeting on Thursday, when the question is expected to be considered.

Results, Page 26

Mountbatten murder: Irish Cabinet meets

By Stewart Daley

THE IRISH CABINET is to have a special meeting this morning to discuss the implications of Monday's murder of Lord Mountbatten, two members of his family—the Dowager Lady Brabourne, his daughter's mother-in-law died in hospital yesterday—and his Irish boatboy.

Prime Minister, has cut short his holiday in Portugal and is expected back in the republic within a day or two to face the grave security crisis the killings have provoked.

In his absence, today's Cabinet will be chaired by Mr. George Colley, the deputy Prime Minister. It will discuss the state of Anglo-Irish relations, the possibility of a backlash from Northern Ireland's Protestant paramilitary groups against Roman Catholics both in the North and in the Republic, and the question of the Pope's three-day visit to Ireland due to start on September 29.

The meeting will hear a special report from Mr. Gerry Collins, Minister of Justice and Police, on what the police have discovered so far, both about the tragedy in County Sligo and the killing, also on Sunday, of 18 soldiers and one bystander in Warrenpoint which is just across the Northern Ireland border.

The Irish Cabinet is preparing itself for a demand from the British Government to

increase security for important foreigners. The Government is highly embarrassed by the death of a greatly respected elder British statesman in a country which he liked enough to set up a second home. Privately, however, officials have been saying that there is not a great deal of scope for immediately improving security. It has been pointed out that the country has a police force of only 9,000 men, one third of whom are engaged in the border areas with Northern Ireland.

Recently, the Irish Government set up special plain clothes armed flying squad units to work in the border areas and has long given co-operation to the British authorities and the Royal Ulster Constabulary in terms of joint patrols.

The Irish Government will be carefully watching for signs of Protestant paramilitary activity. Reports that small killer assassination squads have been set up have been prominently aired in Dublin. It was not clear last night how the Pope's visit would be affected. Government spokesmen seem to feel that this would go ahead and that massive security would be supplied. They pointed out, however, that the visit was pastoral, and was being organised by the Irish Conference of Bishops in conjunction with Vatican officials. Meanwhile, Mr. Colley yesterday

paid a visit to the British Embassy in Dublin to express the condolences of the Irish Government and people to Mr. Robin Haydon, British Ambassador.

Lady Patricia Brabourne, Lord Mountbatten's daughter, was last night said to be critical, although more stable, as was Timothy Knatchbull, her 14-year-old son whose twin brother, Nicholas, was killed when Lord Mountbatten's boat exploded. Lord Brabourne, the seventh member of the boat trip, was

said to be satisfactory.

Our Belfast correspondent writes: The Loyalist paramilitary Ulster Defence Association yesterday threatened violence unless there was swift Government action against the IRA. It claimed that Mr. Humphrey Atkins, the Northern Ireland Secretary, had "no knowledge" of the Ulster situation and said it would be forced "to take the law into its own hands" unless there was positive action against the Provisionals.

Kurdish rebels of trying to take the region by force, and said the Army intended to take Mahabad. The scene is therefore set for a full-scale confrontation.

● Iran is to nationalise the Soviet State-owned Russo-Iran Bank, ending two months' uncertainty over whether the bank, the only one in Iran to have been wholly owned by foreign interests, would be covered by the June decree nationalising all banks.

An Iranian Foreign Ministry statement said a Soviet delegation would visit Iran to liquidate the bank's assets, declared in 1978 to amount to Rials 16.6bn (£110m).

Mr. Bani-Sadr accused the

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